No. 91-7804

FILE US STREET OF THE GLERK

In The

Supreme Court of the United States

October Term, 1992

SHELDON B. BUFFERD,

Petitioner,

VS.

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

On Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

JOINT APPENDIX

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Petition For Certiorari Filed March 31, 1992 Certiorari Granted June 22, 1992

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Relevant Docket Entries

Petition filed.
Answer filed.
Amendment to petition filed.
Answer to Amended petition filed.
Hearing before Judge Clapp
Stipulation of settled issues filed.
Trial
Memorandum Opinion by Judge
Whitaker
Notice of appeal filed.

UNITED STATES TAX COURT

SHELDON B. BUFFERD &)
PHYLLIS BUFFERD)
Petitioners) Do

v) 3

COMMISSIONER OF)
INTERNAL REVENUE)
Respondent)

Docket No. 3970-88

PETITION

Sheldon B. Bufferd & Phyllis Bufferd ("Petitioners"), disagree with the tax deficiencies, as set forth in the Notices of Deficiency, dated December 4, 1987, issued by the Office of the Internal Revenue at Portsmith, New Hampshire.

Petitioners' Taxpayer Identification Number is 049-32-7803.

The deficiencies as determined by the Commissioner, are in income taxes for the years 1975,1976,1977,1978 and 1979. The deficiency asserted for 1975 is \$ 3,069.00; The deficiency asserted for 1976 is \$ 3,704.00; The deficiency asserted for 1977 is \$ 6,291.00; The deficiency asserted for 1978 is \$ 13,359.00; The deficiency asserted for 1979 is \$12,555.00. In addition, penalties under Internal Revenue Code Sections 6653(a)(1) and 6659 are also asserted. Petitioners dispute all amounts asserted for each year, and as the basis for their case, allege as follows:

That the determinations set forth in said notices of deficiency, are based on the following errors:

- 1. The Commissioner erred in determining that the Petitioners did not realize their claimed loss(es) arising from deductions attributable to Printer Associates (the "Partnership").
- The Commissioner erred, with respect to the loss referred to above, in determining that:
 - a. The venture was a sham which lacked economic substance and should be ignored as part of a scheme designed to inflate income tax deductions.
 - b. The activities were not incurred by a trade or business, or engaged in for profit, or with respect to property held for the production of income.
 - c. Alternatively, the Partnership's depreciation deduction was not allowable because:
 - The basis of the Technology had not been established.
 - The amount did not bear a proper relationship to a decline in the property's usefulness.
 - The Purchase Note lacked economic substance.
 - There was no entitlement to the deduction.
 - The amount of non-recourse liability was too speculative, and contingent to be included in any Partner's basis.

- 3. The Commissioner erred, with respect to the investment tax credit claimed, relating to the purchase of the M-Cell Technology (the "Technology") by the Partnership, in determining that:
 - a. The Partnership was not engaged in a trade or business, or entered into for profit, or with respect to property held for production of income.
 - The Technology did not qualify for the credit.
- 4. The Commissioner erred, with respect to the Partnership's depreciation deduction, in determining that:
 - The acquired assets did not have a determinable life.
 - b. The amount did not bear a proper relationship to a decline in the assets' usefulness, and that the fair market value had not been established.
 - c. The portion attributable to the amount of the Note(s) was not allowable because the Note(s) lacked economic substance.
- 5. The Commissioner erred, with respect to the Partnership's interest deduction, in determining that:
 - a. The amounts claimed were not established as having been paid, or properly accrued, or were deductible in the year claimed.
 - The interest was not deductible because the loan was contingent, not a present

liability, and because the loan transactions lacked economic substance.

- 6. The Commissioner erred, with respect to all other deductions of the Partnership, in determining that:
 - a. All other deductions were not substantiated, shown to have been incurred, or that they were ordinary and necessary business expenses.
 - b. They were unreasonable and excessive.
 - c. They were either for syndication, or capital in nature with an indeterminable useful life.
- 7. The Commissioner erred, with respect to the distributive share of income (loss) from Compo Financial Services, Ltd. ("CFS"), in determining that:
 - The Petitioners did not realize their claimed loss(es) arising from deductions atributable to CFS.
 - The Petitioners were not entitled to any tax credits arising from transactions attributable to CFS.
 - c. CFS is a partnership.
 - d. CFS has a fiscal year ending December 31st. *
- 8. The Commissioner erred in determining that the deficiency was due to negligence or intentional disregard of the rules and regulations.
- 9. The Commissioner erred in determining that Petitioners had substantial underpayment of tax

attributable to tax motivated transactions and valuation overstatement.

The facts upon which the Petitioners rely, as the basis for the Petitioners' case, are as follows:

- 1. Petitioners invested in the Partnership which was formed, entered into, operated and conducted for the purpose of making a profit from the exploitation of the principal asset of the Partnership, which consisted of ten computer source tapes together with other personal property (the "Technology").
- 2. The events and transactions giving rise to the loss actually occurred, and their substance conformed to the forms in which they they were structured.
- 3. Substantial, documented efforts to exploit the Technology have been made over the years.
- 4. The Technology is tangible personal property with a determinable useful life, and, therefore, was both depreciable and eligible for the investment tax credit.
- The purchase price of the Technology was its fair market value on the date of acquisition by the Partnership, based upon independent appraisal.
- 6. The depreciation claimed bears proper relationship to a decline in the property's usefulness, and was allowable under the half-year depreciation convention.
- 7. The Partnership's basis in the Technology included recourse notes by it to the seller, which, accordingly, are included in the Partners'

basis for depreciation and investment tax purposes.

- 8. All other deductions of the Partnership were ordinary and necessary business expenses under Internal Revenue Code Section 162, were reasonable in amount, and were actually incurred.
- 9. Petitioners invested in CFS, a Connecticut corporation having a fiscal year ending November 30th, which had elected to be treated as an "electing small business corporation" for income tax purposes, under Section 1872(a) of the Internal Revenue Code.
- 10. CFS purchased investment units in the Partnership, and realized the losses and credits it claimed, which flowed from the Partnership per Section 702 of the internal Revenue Code, for the same reasons as stated above in Petitioners' statements of facts relating to their direct investment in the Partnership.
- 11. Section 702 of the Internal Revenue Code does not apply to corporations, or their shareholders.
- 12. To the best of our knowledge and belief, no Special Consent to to Extend the Period of Time to Assess Tax had been granted by CFS for its year ending November 30, 1979. Accordingly, the statute of limitations would have expired with respect to any changes in the CFS net income for such year.

Wherefore, Petitioners pray that the Court determine that there are no deficiencies in income tax. Dated: February 25, 1988

/s/ Sheldon B. Bufferd Sheldon B. Bufferd, Petitioner 1242 Old Academy Road Fairfield, Connecticut 06430

/s/ Phyllis Bufferd
Phyllis Bufferd, Petitioner
13 Hale Street
Westport, Connecticut 06880

Illegible

UNITED STATES TAX COURT

Docket No. 3970-88

(Caption Omitted In Printing)

ANSWER

THE RESPONDENT, in answer to the petition filed in this case, admits, denies and alleges as follows:

- 1. FIRST UNNUMBERED and UNLETTERED PARAGRAPH. Admits that the notice of deficiency, dated December 4, 1987, was issued by the Office of the Internal Revenue Service at Portsmouth, New Hampshire.
- SECOND UNNUMBERED and UNLETTERED PARAGRAPH. Admits.
- THIRD UNNUMBERED and UNLETTERED PARAGRAPH. Admits.
- 4. FOURTH UNNUMBERED and UNLETTERED PARAGRAPH (1) through (9). Denies that respondent erred as alleged in the FOURTH UNNUMBERED and UNLETTERED PARAGRAPH (1) through (9) and all subparagraphs thereunder.
- FIFTH UNNUMBERED and UNLETTERED PARAGRAPH (1) through (11). Denies.
- 5. FIFTH UNNUMBERED and UNLETTERED PARAGRAPH (12). Denies for lack of present knowledge or information.
- Denies generally each and every allegation of the petition not heretofore specifically admitted, qualified ordenied [sic].

WHEREFORE, it is prayed that the deficiencies and additions to tax determined by the respondent be in all respects approved.

WILLIAM F. NELSON Chief Counsel

Date: Apr 21 1988 Int

Internal Revenue Service

OF COUNSEL: AGATHA L. VORSANGER Regional counsel

> By: /s/ (signed) Michael P. Breton MICHAEL P. BRETON Attorney

By: /s/ Powell W. Holly, Jr.
POWELL W. HOLLY, JR.
District Counsel
Internal Revenue Service
135 High Street, Rm. 259
Hartford, CT 06103
Tel. No. (203) 240-4253
(FTS) 244-4253

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing paper was served on Sheldon B. Bufferd by mailing the same on in a postage-paid wrapper addressed to him at 1242 Old Academy Road, Fairfield, Connecticut 06430 and to Phyllis Bufferd, by mailing the same on Apr 21 1988 in a postage-paid wrapper addressed to her at 13 Hale Street, Westport, Connecticut 060880 and a copy thereof was

mailed to the Tax Court by Express Mail, Receipt No. B 93984393, on Apr 21 1988

Dated: Illegible

/s/ (Signed) Michael P. Breton MICHAEL P. BRETON Attorney

UNITED STATES TAX COURT

Docket No. 3970-88

(Caption Omitted In Printing)

STIPULATION OF FACTS

In accordance with Tax Court Rule 91(a), the belowsigned parties agree to this STIPULATION OF FACTS
pursuant to the general terms of this preamble, unless
specifically expressed otherwise. all stipulated facts shall
be conclusive. All stipulated exhibits shall be considered
authentic. All copies shall be considered electronic reproductions of the originals and shall be treated as originals.
The truth of assertions within stipulated exhibits may be
rebutted or corroborated by additional evidence. Any
relevancy objections may be made with respect to all or
any part of the stipulation at the time of submission.

- The petitioners reported their income and deductions for the taxable year 1979 on the basis of cash receipts and disbursements.
- 2. The petitioners filed their federal income tax return for the taxable year 1979 (hereinafter, "the 1979 return") on April 15, 1980. A copy of the 1979 return is attached hereto and marked as Joint Exhibit 1-A.
- The petitioner, Sheldon B. Bufferd, resided at 1242 Old Academy Road, Fairfield, Connecticut, at the time the petitioners filed their petition herein.
- The petitioner, Phyllis Bufferd, resided at 13 Hale Street, Westport, Connecticut, at the time the petitioners filed their petition herein.

- 5. The petitioner, Phyllis Bufferd, is not liable for any deficiencies for the taxable years 1975, 1976, 1977, 1978 or 1979 by reason of the provisions of I.R.C. § 6013(e).
- 6. The petitioner, Phyllis Bufferd, is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6653(a) by reason of the provisions of I.R.C. § 6013(e).
- 7. The petitioner, Phyllis Bufferd, is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6659 by reason of the provisions of I.R.C. § 6013(e).
- 8. The petitioner, Phyllis Bufferd, is not liable for the increased rate of interest under I.R.C. § 6621(c) for the taxable years 1975, 1976, 1977, 1978 or 1979 by reason of the provisions of I.R.C. § 6013(e).
- 9. In 1979, Sheldon B. Bufferd (hereinafter, "the petitioner"), was a shareholder in Compo Financial Services, Ltd. (hereinafter, "Compo").
- 10. In 1979, Compo was an electing small business corporation within the meaning of I.R.C. § 1371(a). A copy of Election by a Small Business Corporation (Form 2553) filed by Compo on January 2, 1979 is attached hereto and marked as Joint Exhibit 2-B.
- 11. Compo timely filed a U.S. Small Business Corporation Income Tax Return (Form 1120"S") for the taxable period December 26, 1978 through November 30, 1979 on February 1, 1990. A copy of said return is attached hereto and marked as Joint Exhibit 3-C.

- 12. Compo did not extend the statute of limitations for assessment of taxes as provided under the provisions of I.R.C. § 6501(c)(4) with respect to its taxable period ended November 30, 1979.
- 13. On December 21, 1983, the petitioner, in his capacity as Secretary/Treasurer of Compo. executed a Special Consent to Extend the Time to Assess Tax (hereinafter, "Form 872-A") with respect to the taxable period ended November 30, 1980. A copy of said Form 872-A is attached hereto and marked as Joint Exhibit 4-D.
- 14. On December 15, 1987, the respondent executed a Notice of Termination of Special Consent to Extend the Time to Assess Tax (hereinafter, "Form 872-T") with respect to a Form 872-A dated July 22, 1985, executed by the parties with respect to Compo's taxable period ended November 30, 1982. A copy of said form 872-T is attached hereto and marked as Joint Exhibit 5-E.
- 15. The petitioner is entitled to an ordinary deduction in the amount of \$20,000.00 for the taxable year 1978, said deduction being equal to his cash investment in Printer Associates.
- 16. The petitioner is not entitled to any other losses or credits attributable to Printer Associates for any year except as provided in paragraph 15., above.
- 17. On their 1979 return, the petitioners claimed an ordinary loss with respect to two entities in the total amount of \$11,550.00, summarized as follows:

Printer Associates

\$11,050.00

Compo Financial Services, Inc.

500.00

- On the 1979 return, the petitioners claimed an investment credit with respect to Compo in the amount of \$8,023.00.
- 19. On March 7, 1983 the petitioners timely executed a form 872-A for their taxable year 1979. Respondent executed said Form 872-A on March 15, 1983. A copy of said Form 872-A is attached hereto and marked as Joint Exhibit 6-F.
- Neither the petitioners nor the respondent filed a Form 872-T with respect to the petitioners' taxable year 1979.
- 21. By notice of deficiency dated December 4, 1987, the respondent disallowed, inter alia, the petitioners' claimed 1979 loss and investment credit attributable to Compo for its taxable period December 26, 1978 through November 30, 1979. The respondent further determined that the petitioner's distributive share of Compo income in 1979 was \$1,418.00, resulting in a total adjustment with respect to Compo in the amount of \$1,918.00. A copy of said notice of deficiency is attached hereto and marked as Joint Exhibit 7-G.
- 22. The statutory notice of deficiency dated December 4, 1987, was timely sent to the petitioners prior to the expiration of the three-year period for assessment with respect to the petitioners' 1979 return, as duly and timely extended under the agreement referred to in paragraph 19., above.
- 24. The statutory notice of deficiency dated December 4, 1987, was issued to the petitioners more than three years after the filing of Compo's Form 1120"S" for the

taxable period ended November 30, 1979, for which an extension of the assessment period was not executed by the corporation.

ABRAHAM N. M. SHASHY, JR. Chief Counsel Internal REvenue Service

SHELDON B. BUFFERD Petitioner P.O. Box 547 Westport, CT 06881

PHYLLIS BUFFERD Petitioner 109 North Argyle Avenue Margate, New Jersey 08402

By:

BRADFORD A. JOHNSON Assistant District Counsel Tax Court No. JB0034 135 High Street, Rm. 259 Hartford, CT 06103 Tel. No. (203) 240-4253 FTS 244-4253 Dated:

Dated:

UNITED STATES TAX COURT

Docket No. 3970-88 (Caption Omitted in Printing)

SECOND STIPULATION OF FACTS

In accordance with Tax Court Rule 91(a), the belowsigned parties agree to this SECOND STIPULATION OF
FACTS pursuant to the general terms of this preamble,
unless specifically expressed otherwise. All stipulated
facts shall be conclusive. All stipulated exhibits shall be
considered electronic reproductions of the originals and
shall be treated as originals. The truth of assertions
within stipulated exhibits may be rebutted or corroborated by additional evidence. Any relevancy objections
may be made with respect to all or any part of the
stipulation at the time of submission.

- 25. Sheldon B. Bufferd (hereinafter, the "petitioner is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6653(a).
- 26. The petitioner is not liable for an addition to the tax for the taxable years 1975, 1976, 1977, 1978 or 1979 under the provisions of I.R.C. § 6659.
- 27. The petitioner is liable for the increased rate of interest under I.R.C. § 6621(c) for the taxable years 1975, 1976, 1977, 1978 and 1979.

ABRAHAM N. M. SHASHY, JR. Chief Counsel Internal Revenue Service

SHELDON B. BUFFERD Petitioner P.O. Box 547 Westport, CT 06881

PHYLLIS BUFFERD Petitioner 109 North Argyle Avenue Margate, New Jersey 08402

By:

BRADFORD A. JOHNSON Assistant District Counsel Tax Court No. JB0034 135 High Street, Rm. 259 Hartford, CT 06103 Tel. No. (203) 240-4253 (FTS) 244-4253 Dated:

Dated:

EDITOR'S NOTE

THE FOLLOWING PAGES WERE POOR HARD COPY AT THE TIME OF FILMING. IF AND WHEN A BETTER COPY CAN BE OBTAINED, A NEW FICHE WILL BE ISSUED.

20 Page 2 9,355 38,809 8,023 NONE 1,490 2,631 8,023 8,023 1,141 NONE E.I. No. . ZIP code . 86 33 36 495 50 51e 4 8 493 5 15 34 4.5 52 5. 53 00 E 4 Schedule TC Form 4970. 1554 amount from Schedule A, line 41 in line 62, enter BALANCE DUE. Attach check or money order for full new Revenue Service. Write your social security number on check or • Denaity tax 8,023 I declare that I have examined this return including accompanying schedule Also see and enter difference (but not less than zero) return & your spouse itemizes deductions. OR not reported to employer (attach Form 4137) 19 Form 2210 (2210F) is stached. See page 15 of instructions) \$ 60009 find your tax from page 12 of instructions; Enter total and check if from dependent nt credit (attach Form 4255) Amount of line 63 to be credited on 1980 estimated tax . 65 2786 80 G1 40 ... 2 2 3 45 FICA and RRTA tax on tips (from form W-2) S 8 60 (7) 65 57 63 ... ints received (from form W-2) 2 Tax tables or check here > child & dependent care expenses(attach Form 2441) page 12 of 59 Excess FICA and RRTA tax withheld (two or more employers) and enter enter amount OVERPAID credit from 1978 return 415/80 Requisited Investment Company credit lattach Form 2439) contributions to candidates for public office Form 5405 income credit. If line 32 is under \$10,000, see for Federal tax on special fuels & oils (attach 1040) mum tax. Attach Form 4625 and check here and can 64 Amount of line 63 to be REFUNDED TO YOU.
65 Amount of line 63 to be credited on 1980 estima
66 If line 54 is larger than line 62, enter BALANC re (WIN) Credit (attach Form 4874) the elderly (attach Schedules R&RP) line 31 ladjusted gross income! Residential energy credits (attach Form 5695) Alternative minimum tax. Attach Form \$251 tax on tip income lines 38 through 45 tax credit (attach Form 1116) credit (attach Form 3468) Advance cerned income credit payma 52 Tax on an IRA (attach Form 5329) deductions Subtract line 46 from 55 Total Federal income tax withheld 50 Tax from recomputing prior-year 54 Total, Add lines 47 through 53 56 1979 estimated tax payments & here & check Sufferd 58 Amount paid with Form 4868 lines 35 and 36 not itemize Form 4136 or 4136-T) 51a Social security (FICA) page 2 of instructions 51b Uncollected employee C-D1-0307 Form 4972 200 11 you do Tax. Enter 47 Balance Skul Len Credit 48 Self-er Credit 62 Total 63 If line Subtr Total 49. Min. 484 Form 1040 (1975) 00 m 42 61 77 97 57 09 Forms W-2 W-2G, and W-2P to frant e'ie'se'q noilemioini Compu (See Instruc-Balance Credits Refund (Including tation Advance Taxes Other Attach BUSH NOIS 35Y374

N Page and to the best of my sign even if only one 48,164 38,809 8,023 NONE 1,490 Preparer's social security 8,023 8,023 NONE 41 2,631 2,631 1,1 E.1. No. ▶ 33. 41 999 499 5 10 516 34 35 36 4 95 33 46 **4** 20 52 53 5. 63 64 Form 4970, If line 54 is larger than line 62, enter BALANCE DUE Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order 1554 line 41 • it line 33 from line 32. Use the amount on line 34 to find your tax from a Tables, or to figure your tax on Schedule TC. Part 1. And the Tax Rate Schedules ONLY if.

Inedule TC. Part 1, and the Tax Rate Schedules ONLY if.

Inedule TC. Part 1, and the Tax Rate Schedules ONLY if.

Inedule TC. Part 1, and the Tax Rate Schedules ONLY if.

Inedule TC. Part 1, and the Tax Bate Schedule Status Box 2 or 51, OR to have more exemptions than covered in the Tax Table for your filing status, OR four use Schedule G or form 4725 to figure your tax. Section 72(m)(5) penalty tax I declare that I have examined this return, including accompanying schedules, true, correct, and complete. Declaration of preparer fether than taxpayer is by 8,023 Check if Sherure ill filing 1 line 37 and enter difference (but not less than zero) If you itemize, complete Schedule A (Form 1040) and enter amount from Schedule A, filing a separate return & your spause itemizes deductions, OR 63, OR 51a Social security (FICA) tax on tip income not reported to employer (attach Form 4137) YOUR X If Form 2210 (2210F) is attached. See page 15 of instructions) S Schedule TC 60004 a dependent on check if from 50 Tax from recomputing prior-year investment credit (attach Form 4255) X 2786 51b Uncollected employee FICA and RRTA tax on tips (from Form W-2) Amount of line 63 to be credited on 1980 estimated tax ▶ 65 80 00 40 .. 45 55 500 57 5.9 60 5 Advance earned income credit payments received (from Form W-2) 49b Alternative minimum tax. Attach Form 6251 and check here ▶ Tax tables or 12 01 child & dependent care expenses(attach Form 2441) onal taxes. (See page 12 of instructions) Enter total and claimed 59 Excess FICA and RRTA tax withheld (two or more employers) 63 if line 62 is larger than line 54, enter amount OVERPAID credit from 1578 return page 49a Minimum tax. Attach Form 4625 and check here ▶ Regulated Investment Company credit (attach Form 2439) 57 Earned income credit. If line 32 is under \$10,000, see Form 5405, 4/5/80 contributions to candidates for public office Credit for Federal tax on special fuels & oils (attach and can Amount of line 53 to be REFUNDED TO YOU .. incentive (WIN) Credit (attach Form 4874) the elderly (attach Schedules R&RP) 32 Amount from line 31 (adjusted gross income) If you do not itemize deductions, enter zero Residential energy credits (attach Form 5695) 48 Self-employment tax (attach Schedule SE) if from Add lines 38 through 45 Foreign tax credit (attach Form 1116) Form 5544 credit (attach Form 3468) 52 Tax on an IRA (attach Form 5329) Subtract line 45 from 55 Total Federal income tax withheld 54 Total. Add lines 47 through 53 52 Total. Add lines 55 through 61 56 1979 estimated tax payments & Jobs credit (attach Form 5884) Tax. Enter tax here & check Amount paid with Form 4868 Under penalties of perjury, I decreated knowledge and belief, it is true, correct, preparer has any knowledge. Total, Add lines 35 and 36 Form 4136 or 4136-T) page 2 of instructions Form 4972 signature and date
firm's name for your's
if self-employed) Otherwise, you 46 Total credits Investment Caution Credit for Credit for (Check 47 Balance. 1 Credit Work page Subtr Farm 1049 (1979) 4 80 00 40 42 63 45 28 7 7 4 6 6 6 60 You Payments Forms W-2 W-2G, and W-2P to front Piere Perer's Compu-(See Instruc-tions on page 12 Credits Balance Refund (Including tation Payments Advance Taxes Other Tax. Attach Due PLEASE SIGN HERE

20

CFP 104

30

ZIP code

-	2 Employer's State number	ate number			
3 Employers name, address, and 21P code Compo Financial Servi	Services, Ltd.	Correction		1	
21 Charles Street Westport, CT 06330		5 Employer's identification number			
		6 Advance EIC payment	,		
8 Employee's social security number	9 federal income tax withheld	10 Wages, 1:ps, other compensation 11 FICA tax withheld	II FICA tax withheld	12 Total FICA wages	T
049-32-7803	0	4,500.00	275.05	4.500.00	
1) Employed's name (first, middle, last) Sheldon B. Bufferd,	rd,	14 Pension plan coverage? Yes/No NO	. 51	16 FICA tips	
11 Oak Lane		18 State income tax withheld	19 State wages, tips, etc.	20 Name of state	
Weston, CT 06333	m	21 Local income tax mithheid	22 Local wages, tips, etc.	23 Name of locality	
17 Employee's address and ZIP code	- Po	Copy B To be This information is	Copy B To be filed with employee's FEDERAL tax return This information is being furnished to the Internal Revenue Service.	DERAL tax return	

Form W-2 Wage and Tax Statement 1979

ITEMIZED DEDUCTIONS

SCHEDULE A

22 7 Your social security number 1,765 245 035 7 12,755 -7803 73 3,400 9,355 1979 80 049-32 Filing Status box: Cash SEE STATEMENT cash contributions. List below. 40 from line 39. Enter here is more than line 39, see the instructions and on Form 1040, line 33. (It line 40 25 Loss before insurance reimbursement LICENSE 21 at Cash contributions with receipts, (add lines 21a through 23) 27 Subtract line 26 from line 25 32 TOTAL (add lines 30 and 31) from prior years CHARITIES Casualty or Theft Loss 26 Insurance reimbursement PROFESSIONAL Miscellaneous De Contributions 29 TOTAL (subtract 31 Other (Itemize)▶ 39 Total deductions 40 If you checked 41 Subtract line Other than 30 Union dues b) Other Carryover MISC. 22 23 150 150 2,532 598 139 150 150 7,218 534 138 460 3,277 6 BUFFERD Tone half (but not more than \$150) of insurance premiums for medical care. (Be sure to include in line 10 below! Enter other medical and dental expenses: ORD MOTOR CREDIT CORP 16 TOTAL TAXES (add lines .: 1 through 15) Enter balance of insurance premiums PHYLLIS tables) Enter 1% of line 31, Form 1040 Medical and Dental Expenses line 31, Form 1040 a) Doctors, dentists, nurses, etc. (add lines 4 through 6c) Name(s) as shown on Form 1040 Subtract line 3 from line 2 TOX 3 General sales (see sales ladd lines 1 and 18 Credit and charge cards 11 State and local income Medicine and drugs c) Other (Itemize): Form 1040) Personal property Interest Expense Other (Itemize) 17 Home mortgage 19 Other (Itemize) Subtract line b) Hospitals SHELDON Real estate A TOTAL feed Enter 3% TOTAL Total 12 15 7 13

1979 Page 2

Schedule B - Interest and Dividend Income

23 If you received more than \$400 in gross dividends (including capital gain distributions) and other distributions on stock, complete Part III and Part III. Please see page 9 of the instructions. Write (H), (W), (J), for stock held by husband, write, or jointly. Then answer the questions in Part III, below. If you received dividends as a nominee for another, please see page 19 of the instructions. S Dividends before exclusion (subtract line 7 from line 4)
Enter here and on Form 1040, line 10a
Note: If your capital gain distributions for the year do not include any gains befor Nov. 1, 1978, and you do not need Schedule D to report any gains or lossed on not file that schedule. Instead, enter the taxable part of your capital gain distributions on Form 1040, line 15. 8 2 Your social security number (4) 049-32-7803 w & TEL Name of payer Capital gain distributions. Enter here and on the appropriate line(s) on Schedule See Note below. Dividend Income AMERICAN TEL Total (add lines 5 and 6) Nontaxable distributions (~) Total of line Part II î 4 w un. transferor to a Please see Yes No - tu × × If you received more than \$400 in interest, complete Part I and Part III. Please see page 9 of the instructions to find out what interest to report. Then answer the questions in Part III, below. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, please see page 18 of the instructions. 154 26 224 711 Form 1040, line 9.

Part III Foreign Accounts and Foreign Trusts If you are required to list interest in Part I or dividends if you had a foreign account or were a grantor of, or a foreign trust, you must answer both questions in Part III. account in a foreign country (see page 19 of instrucwhether or not you have any beneficial interest in it? Were you the granter of, or transferor to, a foreign interest in or signature or other authority over a BUFFERD If "Yes," you may be required to file Forms 3520, financial COUNTY FEDERAL S & L
SO. NORWALK SAVINGS
WESTPORT BANK & TRUST
INTERNAL REVENUE SERVICE
CONN NATIONAL BANK trust which existed during the current tax year, At any time during the tax year, did you have bank account, securities account, or other & PHYLLIS Schedule A & B (Form 1040) 1979 Nanies as shown on Form 1040 SHELDON B & PHYL Name of paver the instructions 3520-A, or 926. 4

20 No proprietor 345 1979 0 m 0 m 0 m 00 Oi 83,747 250 1,32 135,92 48,81 54,50 UNTANO 0 06-614499 Employer identification 38 m r Social security number 00 1 PUBLIC ACCO OR PROFESSION Attach to Form 1040 STAFF TRAVEL, TOLLS & PKNG
STAFF TRAVEL, TOLLS & PKNG
MEETINGS & ENTERTAINMENT
PROFESSIONAL DEVELOPMENT
PROFESSIONAL DEVELOPMENT 34 210 attach explanation) 0 8,81 • 4 135,925 do you have amounts for which you are not "at risk" in this business (see Instructions)? other. (Specify) closing . +19 101 from FROM BUSINESS Bug Other Other 13 167(0)) Duluado 310 (Sole Proprietorship) must file Form 1065. line 9 . Subtract line Total credits Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, Section Jobs credit WIN credit 0 0 Wages 980 10 10 depresistion 14 . loss. (add amounts in columns for lines & through 32s) 200 market etc. C3515. CHARLES WESTPORT, 356 663 982 ,268 264 LOSS 2,073 384 7,549 joint ventures. 0, COSI 0r Section 191) or LDON B BUFFERD, line 6) quantities, r. .. Sa (or Form 1041, IN YOU' [1] [2] (Schedule PROFIT OR Lower UFFERD INSTRUCTIONS!? and street > 21 13 Partnerships. innaer an office operations SHELDON -(1-3 à from indebtedness 3 certified historic structure (see Clasing Sched on Schedule SE Part II, line id you deduct expenses for 335) Deductions Cast of goods sold and/or Gross profit (subtract line (number and allowances 00 used to value benefit progr Sales D Business address (num) elect to claim A Main business activity Legal and profession income lattach 35 If you have a loss. Gress receipts or onlexplain (Sub17.801 E Accounting method and clean Amortizable basis 8 Business name • Total deductions Bad debts from "Yes." sttach Office supplies G Was there any Hernes Revenue Service Cost and truck Bank charges Name of proprietor BUG missions Amortization Suppliesings SHELDON Freightingt Travel and SCHEDULE C Telephone Returns Ones and Depreciat Employee Depletion Rent on Methodisi Baiance Advertisi Pension Interest Postage Repairs 30 Utilities Did you Taxes Part II Other Part * 129 20 5 5 m 25 25 34

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One comment of the control of the co		
WN ON SOCIAL SECURITY CARDY Social security number	÷ A	
SHELDON B BUFFERD	0	49-32-7803
Part I Computation of Net Earnings from FARM Self-Employment		
REGULAR METHOD		-
Net profit or (loss) from:		
a Schedule F	la :	
The same of the same	a .	1
FARM OPTIONAL METHOD	,	
3 If gross profits from farming are:		-
a Not more than \$2,400, enter two-thirds of the gross profits	3	
b More than \$2,400 and the net farm profit is less than \$1,600, Enter \$1,500		1
Enter here and on line 12a, the amount on line 2, or line 3 if you elect the farm optional method	-7	-
Part If Computation of Net Earnings from NONFARM Self-Employment		SE
REGULAR METHOD		
Net profit or (loss) from:		
		54,503
	900	-
rental value of parsonage or rental allowance furnis		
and enter zero on this line	Sc.	
d Service with a foreign government or international organization	Sd	
e 010er		
lotal lade lines sa infough e!	0 -	54,503
Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7)		54.503
f you do not elect to use the Nonfarm Optional N		
lines 9 through 11 and enter amount from line 8 on line 12b, Part III.		_
9 a Maximum amount reportable under both potential matters and the second matter and the second matters and the second matter	ó	
	8 8	\$1,500 00
	96	
10 Enter two-thirds of gross nonfarm profits or \$1,600, whichever is smaller	10	
Enter here and on line 12b, the amount on line 9c or line 10, whichever is smaller	=	
Part Ill Computation of Social Security Self-Employment Tax		
12 Net earnings or (loss):		-
0 0 0 0	123	
elect to use the Nonfarm Optional Method)		54,503
mployment tax. Do not fill in rest of	13	54.503
jest amount of combined wages and self-employm		
- A T G G "	*	22,900
Control tion cubiers to FICE as from Form 4.137 los o		
c Total of lines 15a and b	150	4.500
	16	8,40
ever is smaller		18,400
The state of the s		1

29 8,023 8,023 204,000 8,023 8,023 204,372 20,437 20,43 20,43 Form 3468 :1979: Qualified investment 1979 Identifying number as shown on of your tax return 049-32-7803 qualified 1 Use the format below to list your qualified investment in new or used property acquired or constructed and placed in service the tax year. Also list (a) qualified progress expenditures made during the tax year and certain prior tax years and (b) qualified. j 100° investment credit on certain ships, check this block ▶ □. See instruction K for details, share of investment in property made by a partnership, estate, trust, small business corporation, or lessor. C I elect to increase my qualified investment under section 46(d) by all qualified progress expenditures made in the tax investment to 100% for certain commuter highway vehicles under section 46(c)(6). 33 1/3 COMPUTATION OF INVESTMENT CREDIT Applicable 66 2/3 33 1/3 (b) If line 14 is more than line 15(a) and you are a 1979 calendar year taxpayer, enter 60% of the excess 66 2/3 100 100 100 (if your tax year ends in 1980, enter 70% of the excess). (Public utilities, railroads, and airlines, (a) Enter smaller of line 14 or \$25,000. See instruction M for special limits. (Married persons filing 204,000 or basic and matching ESOP percentage under section 48(n)(1). separately, controlled corporate groups, estates, and trusts, see instruction for line 15). See instruction Gi Cost or basis (Continue computation on back.) Corporations electing the basic or basic and matching ESOP percentage for contributions Check the applicable boxles) below to elect the provisions of the specified code section(s): Qualified investment -- Add lines 1(a) through (j) (see instruction M for special limits) rehabilation expenditures for the year. See the instructions for line 1(a) through 1(j). b) Matching credit (not more than 0.5%) -- Enter allowable percentage adjusted (c) Corporations -- Enter amount from Schedule J (Form 1120), line 3, page 3 . 4 7% (4% for public utility property) of certain property (see instruction Q) 6 Patron's regular investment credit -Enter credit allocated from cooperative Estates and trusts -- Enter amount from Form 1041, line 27, page 1 instruction I and instruction for line 11 (a) Individuals -- Enter amount from Form 1040, line 37, page 2 . more but less than 5 Tax on lump-sum distribution from Form 4972 or Form 5544. 3 or more but less than 5 5 or more but less than 7 16 Regular investment credit limitation -- Add lines 15(a) and (b) "Life years more but less 7 or more 7 or more 3 or more 10 Tentative regular investment credit -- Add lines 7, 8, and 9 3 or more 7 or more PHYLLIS BUFFERD (d) Possessions corporation tax credit (corporations only) 6 (e) Section 72(m)(5) penalty tax (individuals only). (a) Credit for the elderly (individuals only) . a) Basic 1% credit -- Enter 1% of line 2 . 13 Total -- Add lines 12(a) through (e) . . Line Ē (3) e Û (1) 9 0 0 3 from line 11 . . Check election box A above (see corporation elects the basic B i elect to increase my qualified Commuter highway vehicle
Uvalitied 1974 through 1978
progress Carryover of unused credit(s) . Carryback of unused credit(s) Total -- Add lines 3 through 6 see instruction J.) . Commuter highway vehicle Tax Liability Limitations If you are claiming 100". dollar limitation) (b) Foreign tax credit . m 3468 Department of the Tressure SHELDON Include your Type of 3 10% of line 2. property property Subtract line 13 (0) Ē. 12 15 4

Note: If line 10 exceeds line 15, the excess is an unused regular investment credit. See instruction F.	
18 Nonrefundable business energy investment credit limitation Subtract line 17 from line 14	0
19 Enter nonrefundable business energy investment credit from line 8 of Schedule B (Form 3468)	0
20 Allowed nonrefundable business energy investment creditEnter smaller of line 18 or line 19	0
2) Total allowed regular investment credit and nonrefundable business energy investment creditAdd lines 17 and 20. Enter here and on Form 1040, line 41: Schedule J (Form 1120), line 4(b), page 3: or the appropriate line on other returns.	

If any part of your investment in line 1 or 4 above was made by a partnership, estate,trust, small business corporation, or lessor, complete the following statement and identify property qualifying for the 7% or 10% investment credit. Schedule A

		Property		•
Name & Address	Progress Expenditures	New	Used	Years
MPO FINANCIA		204,000		+ 2
				-
				+
		-		-
				+
				-
				-
				-
				-
			-	+
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			-	-
				-

	330-1 Hrusti.		1	00
SHELDON B & PHYLLIS BUFFERD	9 0	049-32-780	8	
			-	48,164
2 Deductions (applies to individuals only): a Enter amount from Form 1040, line 33	23	9,355		
b On your 1979 Form 1040, of you checked Filing Status box 3 ever 13.400	A	3,400		
c Multiply S1,000 by the total number of exemptions on Form 1040, line 7 d Aco lines 2s through 2c lestates and trusts, enter zerol	30	4,000	29	16,755
			m	20.4.
	3			
b Capital gain deduction	4			
c Add lines 4s and 4b		- M	9	
5 Alternative minimum taxable income (and lines 3 and 4c)			45	31,409
6 Enter \$20,000 (\$10,000 if married filing separately, or an estate or trust)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	有有效 医克拉氏虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫虫	10	20,000
7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form 8 Enter the smaller of line 7 or \$40,000 (\$20,000 if married filing separately			7	11,409
	80	11,409	Т	
9 Subtract line 8 from line 7 10 Enter the smaller of line 9 or \$40,000 (\$20,000 if married filing separately	6 0			
			_	
11 Subtract line 10 from line 9			_	
12 Enter 10% of line 8	12	1,141	7	
13 Enter 20% of line 10	13			
14 Enter 25% of line 11 15 Add lines 12, 13 and 14	2		15	1,141
16 Amount from Form 1040, line 47. (estates and trusts see instructions)	15		A	
17 Minimum tax from Form 1040, line 49a (estates and trustssee instruc-tions)	17			
18 Tax from recomputing prior-year investment credit (from Form 1040, line 50) (estates and trustssee instructions)	18			
19 Tax from recomputing prior-year work incentive (WIN) credit	91			
Add lines 16 through 19			22	
21 Alternative minimum tax (subtract line 20 from line 15). If zero or less, do not complete the this form		rest of	21	1,141
22 Foreign tax credit (see instructions)			22	
23 Subtract line 22 from line 21. Enter here and on Form 1040, line 49b lestates and trusts see	usts see	-		

Form 6251 (1979)

197	
1554	
0009	
2786	
BUFFERD	
S	
149-32-7803	

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PAGE

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STATEMENT SUPPORTING SCHEDULE E -

INCOME OR LOSS FROM PARTNERSHIP

INCOME 11,050 Loss GROSS FR ADDL 1ST YR DEPCN 07 NO 02-03438 CI (1) E Z PRINTER ASSOCIATES SO CENTRAL SQ. KEENE PARTNERSHIP í. O NAME

TOTAL

32

11,050

INCOME OR LOSS FROM SMALL BUSINESS CORPS

INCOME 500 500 Loss EMP ID NO 06-0993172 NAME OF SMALL BUSINESS CORP COMPO FINANCIAL SERVICES, LTD 21 CHARLES ST WESTPORT, CT TOTALS

SUPPORTING SCHEDULE A - CONTRIBUTIONS NON-CASH CONTRIBUTION-LINE 22 STATEMENT

COST IND. PERCENT CONTRIBUTIONS CLOTHING TO GOODWILL AT EST F.M.V. (15PCT 20

TOTAL

245

245

m

GOODWILL INDUSTRIES OF WESTERN CONNECTICAT MAIN PLANT 165 OCEAN TERRACE - BRIDGEPORT - TEL. 368-65111

ar y my	100.000					-	t-	5		-	2		-	-	
HOR DANE WAT.		Fred 6/5-179	0,000	A	VERFICATION OF DONATION	and story	ging a water . 1	Species described 12	1 - Jackson	19603 2602 La	men erith - 6	mino cuts -4	Mer. Avealy . 4	1-6cho- 1-6cho- 1	
301	0	The Charles B. F.	11 (26, 60)	* c/-/7	MEMS TO BE CONECTED	Freeze ches. ?	1- 4200 9710	mero Patient.	からないからこり	206.16. 20cts. 1	radius rete- 2	でいることがいって	1 - 4 1 1	D. S. J 55 - 1	

THIS IS YOUR RECEIPT FOR TAX PURPOSES, VALUE SHOULD BE BASED ON PURCHASE PRICE MINUS DEPRECIATION. THE DONOR IS RESPONSIBLE TO DETERMINE THE VALUE OF THE ITEMS.

Your gift provides services to the handisapped.	Since Since	
Year gelt previd	7100	200000000000000000000000000000000000000
B 47775	Tree Courter	

GCODVAILL INDUSTRIES

OF WESTERN CONNECTION

MAIN PLANT

165 OCEAN TERRACE - BRIDGEPORT - TEL. 368-6511

NOL DANE WAT.	COUNCTION D	4000	ガ・ド □ SEC MSI.	VERIFICATION OF DONATION	2	- Extens chip	5. 6. 4	lemands (121.15.	していていて こいかいこう	2. 19. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2.	Michigan Line	C. C	,	SONOE
DET. DEL DET. DIOC.	MONE: 227.737	200 =	DATE 10 3 70 m.	ITEMS TO BE COLLECTED	que: 15, melet-1	done sele -2	9. L. Gools. 1	いるからいまれたいっ	word : (12, 1, 1, 1, 2)	Elina 2	81.127 1.5	7	いいかがんいかい	-

33

THIS IS YOUR RECEIPT FOR TAX PURPOSES, VALUE SHOULD BASED ON PURCHASE PRICE MINUS DEPRECIATION, THE DONOF RESPONSIBLE TO DETERMINE THE VALUE OF THE ITEMS.

B. 49937	17	Your gift provides services to the handicap Visit our plants See how your material is u	. here	 : !	Pos de	
		1100 001			SOF	

The same of the sa

DONOR'S COPY

SOC. SEC. NUMBER

049-32-7803 S. BUFFERD.

DEPRECIATION STATEMENT 2786 60004 - 1554

TOTAL DEPRECIATION

F - FOR FEUERAL PURPOSE ONLY S - FOR STATE PURPOSES ONLY

M - DEPRECIATION NOT COMPUTER CALCULATED INV CR - INVESTMENT CREDIT TAKEN IN PRIDE TEARS

SCHEDULE C-1 SHELDON B BUFFERD, CPA

(PAGE NO.01)

1979

N . NEW H . USED

SCHEDULE C-1 SHELDON B BUFF	one, or									TEAR	u • usen
		METHOD					ANJUSTMENT 1		S 4	DEPRECIATION	TENTATIV
DESCRIPTION OF PROPERTY	DATE	DEPACE.	(111)		OR OTHER BASIS	SALVAGE	PRIOR ACCUM DEPRECIATION	FIRST YEAR BONUS	501	THIS TEAR	CREDIT
UTOMOBILE	010677	SL	04	YRS	4,750	300	2000		М	1,000	
ERSONAL PORTION INCLUDED THEREIN	010677	SL	04	YRS	-450					0	
FFICE FURNITURE & EQUIPMENT	0 00 017 4	SL	10	YRS	850		. 382		М	85	
FFICE FURNITURE & EQUIPMENT	0 00 017 4	SL	05	YRS	150		135		М	15	
FFICE FURNITURE & EQUIPMENT	0 0 0 0 7 8	SL	05	YRS	320		48		М	64	
FFICE FURNITURE & EQUIPMENT	000076	SL	10	YRS	340		8		м	34	
FFICE FURNITURE & EQUIPMENT	000079	SL	10	YRS	372				М	6	บ 3
EASEHOLD IMPROVEMENTS	000079	SL	04	YRS	1,026				М	64	
		'									
•											,
1 N		+									1.11.6
34			101	ALS	7.358		2,573		-	1.268	. 3
P - PREFERENCE ITEM FOR MINIMUM/MAXIMUM TAX	(I) METHOD				. ITEMS	20% ADDITIONAL SEPTEMBER	DEPRECIATION ON			0	
1 - TOR TEMERAL PURPOSE ONLY	PRIOR	TEAR DB. DE	PHIL INCL	IOLD IM 2	VIAVES		70741 DEBDI				

35 1,141 298 298 Enter 100% of tex 631 (d) 15, 1980 100% of 1978 tex 1,192 XXXXXXX 1979 Social security number eppli-Not 2 049-32-7803 Jan. il you meet any of the exceptions to the underpayment penalty for ALL four periods taip lines | through I7 and go directly to line 18. Part II EXCEPTIONS TO THE PENALTY (Farmers and fishermen, see Instruction A for special exception) (c) 15, 1979 298 298 XXXXXXXX : 75% of 1978 tax Enter 75% of tex Enier 60% al tex 1,141 -¥06 include the penalty amount with your total payment. If you are Payment Due Dates ATTACHED 27 Penalty (add amounts on lines 26(a) and (b)). Check the box below line 66 on Form 1040 and show this amount Enter Sept ESTIMATED TAX BY INDIVIDUALS

* Attach to Form 1040. * See Instructions on back. (b) 15, 1979 298 298 XXXXXXXX = 50% of 18x Enter 40% of tex 50% of 1978 tex 6 STAILEMENT 305 N B & PHYLLIS BUFFERD HOW TO FIGURE YOUR UNDERPAYMENT (Complete lines 1 through 17) Enter Enier June Refundable business energy credit (from Schedule B (Form 3468) included on Form 1040, Part III HOW TO FIGURE THE PENALTY (Complete lines 23 through 27) 298 298 XXXXXXXX 15, 1979 25% of 1978 tex Enter 20% of tax 90% of ter Enter 25% of tex due a refund, we will subtract the penalty amount from the amount on line 63 Social security (FICA) tax on unreported tip income (from Form 1040, line 51a) Tax on IRA (from Form 5329, Part I or III included on Form 1040, line 52) SEE Enter Apr Uncollected FICA and RRTA tax on tips (from Form 1040, line 51b) Tax credit for special fuels and oils (from Form 1040, line 60) 24 Date of payment
25 (a) Number of days after due date of payment to and including date of payment or January 31, 1980, whichever is earlier
(b) Number of days from and including February 1, 1980,
to and including date of payment or April 15,1980,
whichever is earlier 22 Exception 4 - Tax on 1979 income over 3, 5 and 8-month quired for the year. Enter the result in appropriate columns (b) 12 percent a year on the amount shown on line 23 for 26 (a) 6 percent a year on the amount shown on line 23 for Divide amount on line 12 by the number of payments re-20 Exception 2 - Tax on 1978 income using 1979 rates and 21 Exception 3 - Tax on annualized 1979 income (see work 18 Total amount paid and withheld from January 1 through Alternative minimum tax (from Form 1040, line 49b) in the space provided. If you owe tax on line 66, 14 Amounts paid on estimated tax and tax withheld 16 from line 13) OR Earned income credit (from Form 1040, line 57) the number of days shown on line 25(b) Overpayment (on line 17) from previous period Enter 80% of the amount shown on line 11 Overpayment (subtract line 13 from line 16) number of days shown on line 25(a) N ... Minimum tax (from Form 1040, line 492) 23 Amount of underpayment (from line 17) Balance (subtract line 10 from line 1) tax (from Form 1040, line 54) exemptions (attach computation) Name(s) as shown on Form 1040 Total (add lines 2, through 9) due date shown Total (add lines 14 and 15) Underpayment (subtract line periods (attach computation) Exception 1 - 1978 tax Department of the Tressury sheet on back) 2210 the payment SHELDON Part ! 5 9 5 17 CFP011

12-PCT	1	7	1	-	1	1	٢	-	
PENALTY 6-PCT	14	14	F1	1	7		H	H	61
DAYS TO	7.5	75.	7.5	75	10	7.5	7.5	75	
NO.OF 1/31	291	291	230	230	138	138	16	16	
DATE PD. OR 4/15	04/15/80	PERIOD	04/15/80	PERIOD.	04/15/80	PERIOD	04/15/80	PERIOD	PENALTY
AMOUNT		TOTAL		TOTAL		TOTAL		TOTAL	TOTAL
AMOUNT OF UNDERPHT	2 9 8		23 60 60		20 60 60		2 9 8		,
INSTALL DUE DATE	4/15/79		6/18/19		9/15/79		1/15/80		

Form 2553 - 8 2 2 Z

Election by a Small Business Corporation

· File in

(As to taxable status under subchapter S of the Internal Revenue Code)	under subchapt	er S of the Interna	I Revenue Code)	duplicate
be made only if the corporation meets all six of the requirements stated in instruction A.	our stockholders) to d in instruction A.	o be treated as an "el	ecting small business o	orporation" for income tax purposes may
Name of corporation.		Employer identification number (see instr. L)	fication number	Principal business activity (see Instr. E)
COMPO FIMANCIAL SERVICES, LID				FINATIOTAL BUSINESS
אנים של הויים ביים מיים ביים ב		62-90	5/75	Election is to be effective for the tatable year beginning Life., day, year)
		1,4	ングーングン	200000000000000000000000000000000000000
City of town, State and ZIP code		11	1	Number of theres issued and outstanding
VESTPORT, CONN.				006
Is the corporation the autgrowth or continuation of any form of predecessor, type of organization, and period during which is used.	any form of predecessor?	Yes & No. If "Yes,"	State name of	Date and place of incorporation
able year		in existence, sub	is in existence, submit the following information	12/26/75 Conn.
DECEMBER 26, 1978 . DECEMBER 26, 1978		DECEMBER 26. 1978	an doing business	Annual return will be filed for taxable year againg (Month)
				NOVEMBER
and ageress (including the code) of each shareholder	No. of shares	Date(s) acquired (see instr. D)	Number	Mineral Revenue Service Center
11 YAIKEE HILL RD. VESTPORT, CT06880	450	12/26/78	285-24-7953	ANDOVER, MASS.
11 Cak Lane Meston Ct. 06383	450	12/26/78	049-32-78m3	
6				Coord Fabb.
2			SERVICE CO.	
9			03.12038	To the state of th
		BC		.S. (2)
8	0000	317	JAN 2 1979	
5	1 400	N. P. C.	TIVIII A	10
10			ANDOVER	
NOTE.—For this election to be valid the				-
Under penalties of perjury. I declare that I have examined this election, including accompany this form or be shown below. Signature and Officer and	this election, inclu	ding accompanying	his form or be sho schedules and statem	examined this election, including accompanying schedules and statements, and to the best of my knowledge
	of (May be use	cite to neil of b		Date 19
ers consent to the	ection of the ab	ove corporation to	ed as an	see instruction D) d as an "electing small business corpora
is .	Signature of shareholders and date	ilders and date		
1 tim Ha land.	125/25/15	9		
2 Shellon & Bufferd -	sylve	7		•
		80		
				3

8L®1		(the instruction S)	06-0993172	12/26/78		S 280 007.	-,	1	4,000			540					(107,399)	000							134						, 134	((102,9931/2)	(B)	None			None		Controls and principal as there.		no. Check if self-		38
Orporation	Nov. 30 10 79	D06 N	06880	142		instruction for line 28.	1	2			(0)	9	 	(8)8	11205))		9 :	12	Balance V 13c		- Is	11	18	dule) 19	20	less deprecia-	Balance > 22	23	P	- 55	- 22	28					payment 1	- A 34	perer has any knowledge.	- Manustra	Preparer's social security	EI. No.	
ISINGS CHIPTS and ELUTH for cale	emell Use 15:	FINANCIAL SERVICES LTD	see no. (see size, p.E.S.T.D.C.F.T.E.S. S	instructions) please		—All applicable lines and schedules must be filled in. If the space on the schedules is no Note: If section 465 (deductions limited to amount at risk) applies, see	urns and allowances	dule A) or operations (attach schedu	97	Domestic dividends	lateraction obligations of the ITS and ITS instrumentalities		royalties	Gains and losses (attach separate schedule D (rorm 11205)); (a) Net short term capital gain reduced by any net long-term capital loss	Net capital gain (if more than \$25,000, see instructions for Part IV of Sci	dinary gain or (loss) from F	Other income (see instructions—attach schedule). TOTAL income—Add lines 3 through 10	of officers (Sched	es and wates	irs (see instruction	ts (Schedule F	Taxes		utions (not o		Depreciation from Form 4562 (attach Form 4562)	Depletion (attach schedule)		2	Employee benefit programs (see instructions)	TOTAL deductions—Add lines 12 through 26	7 from line 11)	Income tax on capital gains (Schedule D (Form 11205), Part IV)		(a) Tax deposited with Form	(b) Tax deposited with Form 7005 (attach copy) (32(b)	line 31). See instruction G for depositary me	VERPAYMENT (Subtract line 31 from line 32)	, and complete. Declaration of preparer (ather than tappayer) is based on all information of which prep	Senature of Officer	A suc	Information Firm's name (or yours,	-
	A Date of		8.8.9	7 2000	000	IMPORTANT	-	N	m	*	911	יכסו	 ניס פ				21	12	13	7 :	2 4	17				Sedi 2	2	23	24	25 25	2 2	28	20 20	31	ze.	L	33		_		gis a		_

2 2

P. s. 2

	AMBOUT BOO	Amount added to reterm		
1. Year Cervebie outstanding at end of year 3. Sales on account	4. Current year's	S. Recereries	6. Amount charged	6. Amount charged 7. Reserve for bad debits against reserve at end of year
	000000000000000000000000000000000000000			0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
			000000000000000000000000000000000000000	000000000000000000000000000000000000000
	000000000000000000000000000000000000000	000000000000000000000000000000000000000	000000000000000000000000000000000000000	
			000000000000000000000000000000000000000	
				6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
Additional Information Required				Yes No
Did you at the end of the tax year own, directly or indirec-	thy 50% or more	of the unting chart a	f a domastic corn	_
œ ;	equired	quired	equired	equired

None

Schrednickies Bad Debts—Reserve Method (See instruction 15)

Total compensation of officers-Enter here and on line 12, page 1

× Counselli Is the corporation engaged in any activity involving oil or gas, movies or video tapes, leasing section 1245 property If "Yes," attach a schedule showing: (1) name, address, and employer identification number, (2) percentage owned; (3) highest amount owed by you to such corporation during the year, and (4) highest amount owed to you by such corporation during the year. (Note: For purposes of F(3) and F(4), "highest amount owed" includes loans and ac-Leasing Financial, Investment . Taxable income or (loss) from line 28, page 1, Form 1120S for your tax year beginning in: → 1977 ► Were you a member of a controlled group subject to the provisions of section 1561?, • .: Product or service • tion? (For rules of attribution, see section 267(c).) . . Refer to page 7 of instructions and state the principal: • . 1976 ₽ Service counts receivable/payable.) , Business activity ▶ 1975 ▶ I U

to others, or farming which resulted in a loss (see instruction for line 28)?.

Form 1120S	1978
Compo Financial Services, Ltd.	06-0993172
Other Income (loss) - From Partnership	
Printer Associates 02-0343801 50 Central Sq., Keene, NH	(107, 399)
Amortization	
Corporation elects to amortize organizational costs in accordance with IR Code:	
Organization Costs Amortization - 11/60th's	134
Investment Credit Property	
Share of Qualified Investment Credit Property from Printer Assoc., a Limited Partnership	2,040,000
Other Current Assets	
Stock Subscriptions Receivable 1,000 Notes Receivable	137,250
	137,250
Other Investments 48 Units - Printer Associates, equity basis	132,601

19/41 (19/4) ·	Page 3	
	Yes	
Entertainment facility (boat, resort,	×	
Living accommodations (except for em	×	
	×	
trend to		
9	V	
stantiation is required under section 274(d).		
6, and 1099?	//////////////////////////////////////	
M Answer only if (1) this is the first 1120S return filed since your election to be treated as a small business		
to the election and had investme		
7-4(b) of the regulations?	property:	
ave an intere		
ry (see Instruction R)?	econnes, or	
a foreign trust during any tax year, which foreign trust was in		
you have any beneficial interest in such trust? If "Yes," you may	× ct parinograph	
	_	
Computation of Undistributed Taxable Income and Summary of Distributions	and Other Hems	41
		1
Computation of Corporation's Undistributed Taxable Income		
	(102,993)	
l earnin		
	(102,993)	
Actual dividend distributions taxable as ordinary income. (
Nondividend distributions		
Undistributed taxable income—taxable as ordinary income or ((102,993)	
le as long-term capital gair		
10 forestment gradit property		
	Cost or basis	
Basis of new (a)		
property (c) 7 or more years	2 040 000	
Qualified prog. (d) 7	7	
ress expenditures (e) 7 or more years 1978		
Cost of used (f) 3 or more but les		
investment (e) 5 or more but less than 7		
property (h) 7 or more years.		
11 Interest on investment indebtedness:		
(a) (1) Interest on investment indebtedness incurred prior to December 17, 1969.	***************************************	
ber 11, 1975, but aft		
(3) Interest on investment indebtedness incurred after September 10, 1975		
opert		
12 from of the preference feet institution in property		
(a) Accelerated description of		
(2) Other real property		
tization: (1)		
on bad debts		
(d) Depletion.		
Intangible drilling costs		
(f) Net capital gain (after tax)		
13 New jobs credit or combined new jobs credit and targeted jobs credit.	17	1

	١		
Assets	(A) Amount of tax yea) Total (C) Amount	9
1 Cash	" " " " " " " " " " " " " " " " " " "		9559
. (a) Less allowances for bad debts .			000000000000000000000000000000000000000
		5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
4 Gov t obligations: (a) U.S. and instrumentalities	0.0000000000000000000000000000000000000	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
	# # # # # # # # # # # # # # # # # # #	:	
Other current assets (attach schedule)	O T	DD	137,250
	***************************************	· · · · · · · · · · · · · · · · · · ·	
8 Other investments (attach schedule)			132.601
Buildings and other fixed depreciable a			
(a) Less accumulated depreciation	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		or or other transfer of the state of the sta
10 Depietable assets			
	dillettelletterdeles dellettelle		
LA intangible assets (amortizable only)		131	
13 Other accels (attach schedule)	Manth Town Middle Mills	FCT	160
Total assets		0000	280.007
Liabilities and Shareholde			
			000000000000000000000000000000000000000
			135,000
Other current liabilities (affach		0.000	
Loans from shareholders	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	
Miges, notes, bonds payable in 1 year		8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	
ייייי אכיובמחובו			
			248,000
Retained earnings-appropriated			
	0.0000000000000000000000000000000000000		
Shereholders' undistributed tatable income		000000000000000000000000000000000000000	(102,993)
quity		000	280,007
ation of Income	Per Books With Income Per	Per Return	
I Net income per books	102,993] 7 Income re	Income recorded on books this year not included	
	In this ret	In this return (itemize)	
Excess of capital losses over capital gains	(a) Taxe	Tax-exempt interest \$	
4 Income subject to tax not recorded on books this	-		
year (itemize)	S Deductions	Deductions in this tax return not charged against	
	200	December this year (nemze)	
(a) Depreciation \$			
	Total	Total of lines 7 and 8	1100 0001
Schedille M-2 Analysis of Unappropriated	Retained Earn	(line 24 above)	77
I Balance at beginning of year	O 5 Distributions out	out of current or accumulated earn-	
•	(102, 993)_ Ings and profits:	offts: (a) Cash	
3 Other Increases (itemize)			
	6 Current vea	Current year's undistributed taxable income or net	
		(total of lines 8 and 9(a), Sch	(102,993)
	7 Other decreases	(itemize)	1
	8 Total	of lines 5. 6. and 7	(102,993)
4 Total of lines 1, 2, and 3	102,993) 9 Balance at	id of year (line 4 le	

TO U.S. GOVERNMENT PRINTING OFFICE: 1878-0-255-123 SACUOTIO

SCHEDULE K-1 Department of the Treasury Internal Reserve Service (Form 1120S)

Shareholder's Share of Undistributed Taxable Income, etc.—1978

For calendary year 1978 or other tarable year.

[Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part :-> Income						Juneary (*)	1041 filen	1041 filers enter col. (a) smount cerresponding line of that form.
		amona.	losel			1	Cohad	in F Dare III
	income—ordinary	ary income or	(1055)			(33140)	Schedule E.	ان
? (a) Undistributed taxable income	-	et long term capital	pital gain	after	(3x		Schedule	le D. Part II
(b) Portion of line 2(a) attributable t		o transactions after 10-	free 10-	31-78	(after tax)		Cabada	0
North Posses from	Section	465 Activities					Schedule	D. 1911
			,		-			
I Shareholder's distributive share of losses from	share of losses from	section 465 activities (see	villes (see	instructions)	ns) (su		1.000000	
A STATE STATE OF THE STATE OF T		- 1	22				Form 4952	52 line reference
1(a) Interest on investment indebtedness incurred prior to	nent indebtedne	ss incurred price	or to Dec	December	17, 1969		line 1	
(b) Interest on investment indebtedness	nent indebtedne	ncorred	prior to September	tember	11, 1975, but		_	
after December 16, 1969	. 1969						line 15	
(c) interest on investment indebtedne	ent'indebtednes	ss incurred afte	after September	nber 10,	1975		line 5	
2 Net investment income or (loss)	ome or (loss)						line 2 or 10	or 10
3 Excess expenses from "net lease p	om "net lease pr	roperty"					line 11 and 1	91 bus
4 Net capital gain attributable to in	tributable to in	-	Yu			-	line 20	
Part IV Items of Tax Preference	Tax Preferen	(See	Instructions	(5)			Form 46	4625 line reference
Accelerated depreciation on: (a) low income rental housing	in on (a) tow in	ncome rental h	OUSIDO		-		line 10	
								1(6)(2)
Perconal proposed to the proposed (a)	subject to a lea			•				(2)(2)
2 Amordization (a)	(P)	(9)		. 5			line 1	pue (1) (a)
	bad debte of for	al inc			0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		[me 1(h)	(1)
4 Depletion		,						
Intangible drilling co								
5 Net Capital gain (after	(ax)	9 4		• •				11.1.1.
The Property Eligible for		Investment C	Credit				Form 34	3468 line reference
					-			
desis of new	3 or more	but less than 5			•	9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9		
	5 or more	but less than 7	years .		•	0		(0
						204,000.		(5)
DO COMPANY	7 or more	<u>.</u>	1975, 19	1976, and			line 1(d)	9
	(e) 7 or more	years 1978				9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9		()
Cost of used	(f) 3 or more	but less than 5 years	years .			9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	line 1(f)	
	(g) 5 or more t	but less than 7 years	years .			9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	line 1(g)	(8
	(h) 7 or more	years					line 1(h)	
Part VID Property		10	Prior Year	r Inves	Investment Credit (F	(Enter in corresponding column of	unding column	1 of Form 4255.)
	6	60	3	(5)	(9)	9		an a
Description of property (also late whether	Date placed in	,		cable.	investment (column 3 x	cessed to be	tuelly per-	Seeking 3 x
A	-				IC wwnios	Credit Diobers	,	
8			İ	İ			<u> </u>	
1 Parts VII Jobs Credits	dits				-	(a) Amount	Line references	rences
New jobs credit	4	4					Form 5	Form 5884, line 20
2 New jobs credit (combined new jobs		credit and targ	targeted jobs	s credit).			Form 5	
HarravIII Other Int	ormation						J. Stock come	9165
	I. Name and address shareholder	•			2. Social security	Number of	Period held	Period held
1	000000000000000000000000000000000000000			<u> </u>			1000	İ
11 Vankoo u	יון סקוני			00	5-24-7063		30 01	r
Westmort Off		000000000000000000000000000000000000000	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	7	147-6	r	7	0
	er of 6. Carporate	on's name, identifying	ng number.	and addres	and address (including 21P code)			
4. Compensation time devoted		Fina	al	Services	es. Ltd.	-90,	212860-90	2
	_	arles S	ree					
NONE DE		rt, CT	00	80				

SCHEDULE K-1 Broadment of the Frestury Internal Resenue Service (Form 1120S)

Shareholder's Share of Undistributed Taxable Income, etc.—1978

Dec. 26 or calendar year 1978 or other tarable year Nov. 30, 1979 (Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part I	Income			(a) Amount	(b) form 1040 filers enter col. (a) amount 4s indicated below form 1041 filers enter col. (a) amount se corresponding line of that form.
1 Undistributed	Undistributed taxable income—ordi	-ordinary income or (loss) .		(33140)	Schedule E. Part III
	E	long term capital	gain after tax		Schedule D. Part II
(b) Portion o	Portion of line 2(a) attributable	465 Activities	-31-78 (after tax)		Schedule D, Part II
2	Shareholder's distributive share of losses fr	from section 465 activities (see	e instructions)	_	
Far E	Interest on Investment Indebtedness	int Indebtedness			Form 4952 line reference
1(a) Interest or		ness incurred prior to December	1969		line 1
(b) Interest or	Interest on investment indebtedn	ness incurred prior to September 11	ptember 11, 1975, but		line 15
(c) Interest or	ebted	ness incurred after Septembe	mber 10, 1975		line 5
	Net investment income or (loss)				line 2 or 10
3 Excess ex	-				line 11 and 19
A Net capita	4 Net capital gain attributable to i	rence (See Instructions)	ns)		Form 4625 line reference
1 Accelerated d	Accelerated depreciation on: (a) Low	me rent			1(b)(1)
(b) Other real property					line 1(b)(2)
(c) Personal	bject to a	lease			line 1(c)
2 Amortization: (a)	(a)	(c)	(p) *		line 1(d). (e). (f) and (g)
3 Reserves for	Reserves for losses on bad debts of	financial institutions.			
4 Depletion .	•				
5 Intangible dr	Intangible drilling costs	a a a a			line I(I)
Part Capital B	Property Eligible for	Investment Credit			Form 3468 line reference
_	(1) 3 00 mon		0,	_	line 1(a)
investment	(b) 5 or more	e but less than 7 years		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	line 1(b)
property		e years		204,000	line 1(c)
Qualified	7 or mo	1974, 1975.	1976, and 1977		line 1(d)
e penditures	(e) 7 or more years	e years 1978			line 1(e)
Cost of used	(f) 3 or more	e but less than 5 years			line 1(f)
investment		re but less than 7 years	•	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	line 1(g)
١.	(h) 7 or mo	e years		(Ine 1(n)	line 1(n)
- Nart VI -	2	a Prio	Investmen		
Description of property (elso plate whether	of Date placed in	6 3.1	4ppii. Original qualified cable (column 3 x	- 8 - 1	0
Y	0		100000000000000000000000000000000000000		
· Part: VIII	Jobs Credits			(a) Amaunt	Control of the contro
1 New jobs credit	jobs credit	and targeted	iobs credit).		Form 5884-FY, line 27
-Parts VIII	-Park VIII Other Information				
	1. Name and add		2. Sucrei security number	Number of	3. Stock centership Period held Date sequired Date of disposition
Sheldon	B. Bufferd				
11 Cak	(5.2	* 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	049-32-7803	03 450	12-26-78
Weston,		mention's name identifiers number	er and address (including 21P code)	ode)	-
4. Compensation		Financ	Services,		06-0993172
None	As Reg. We	Charles Str Stoort, CT	eet 06880		
	-				77

45

Shareholder's Share of Undistributed Taxable Income, etc.—1978

(Form 1120S)

Department of the Tressury Internal Revenue Service

0 5	The same of the sa							
(a) Undistributed tax (b) Portion of line 2(a	Sepipio - emora.	no emoson	(1055)			(10527)	Schedu	Schedule E. Part III
(b) Portion of line 2(c)							Schedule D.	ile D. Part II
(b) Portion of line 2(4)	1	t long term capital	89	alle.				
The same of the sa		e		31-/8 (8	(attertax)		Schedule	D. Fan
Part II Losses f	2	405 Activities	-					
Shareholder's distributive share of losses	share of losses from	section 465 activities (see		instructions)	(54		:///////////	THE THE THE THE
Pret III Interest	Interest on Investment	Indebtedness					Form 4	4952 line reference
labor	sent indebtednes	dness incurred prior to	to Dec	December 17.	7, 1969		line 1	
THE PERSON OF TH	near indebtedness	s incurred prior to	to Sept	September	11. 1975, but			
b) Interest on investin	1969						line 15	
	0, 1909		Cantembe		1976			
(c) Interest on investment indebledne	nent indeptednes	13118	Septem	•			line 2	2 or 10
Net investment income or (los	S						line 1	line 11 and 19
Excess expenses from "net leas		property".					1,00 20	
Net capital gain attributable to	Tay Preferen	(See	Instructions	10				4625 kne reference
The liens of tax reference	I dA FIEIEIEI	200		100				
Accelerated depreciation on: (a) Low		income rental hou	. Buisn					1(5)(2)
(b) Other real property	• • • • • •			•	•		- Inde	1(0)(5)
(c) Personal property subject to a	subject to a lear							1(d) (e) (f) and (g)
	(a)	(c)	***************************************	(D) ·····			line.	
3 Reserves for losses on bad debts of	n bad debts of fin	ancial institution						160
4 Depletion								100
Intangible drilling costs .								Hall William
Net capital gain (after tax)							1	1468 tine reference
Part V - Property	Property Eligible for II	Investment Cr	liba					-
Basis of new	(a) 3 or more b	but less than 5)	5 years .					1(4)
investment	ore	but less than 7 years	years .				-	(0)
diam's	Ore	years	- 1	- 1		136,000		1(c)
Outsided	7 or m	+		1976, and	1977		- Inde	1(0)
espenditures.	(e) 7 or more	ore years 1978						1/0
Cost of used	(f) 3 or more t	but less than 5 years	years .					1(6)
property	5 or more	but less than 7 years	years .					
	(h) 7 or n	years	Or Yes	ir love	tment Credit	Decompating a Prior Year Investment Credit (Enter in corresponding column	onding colur	nn of Form 4255)
Part Mis Property	Osed in	a Summan	1 10		(A)		(01) (10)	(11)
Description of property	Batte placed in	3 ·]		iji	Original qualified investiment (column 3 ×	Date item cressed to be	Period App	Column 3 ×
See or uted)			lofe.	centage	column 5)	Credit property		
			Ī					
Part VII Jobs Credits	dits					(a) Amount	Line	Line references
							Form	Form 5884, line 20
New jobs credit (combined new	. gol	credit and targeted	eted jobs	os credit).			Form	5884-FY, line 27
							F. Shock on	0.5
	I. Name and address	•		_	2. Sacial security	Rumber of		Period heid
	Mareholder			1		E/W		1
Ogden Bigelow Jr.	low Jr.	8 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				,	2 - 1
25 Hidden Lake Ri	Lake Ridge		8 K K K K K K K K K K K K K K K K K K K		040-22-0291	200	7_0	
Wilton	3	peration's name, identifying	ng number	and adds	eddress (including 21P code)	(ap)		
4. Compensation time devoted to business		Compo Financi	cial	S	Services, L	Ltd.	06-099317	3172
	21	es	Street	et				

SCHEDULE K-1 Department of the Treatury Internal Revenue Service (Form 1120S)

Shareholder's Share of Undistributed Taxable Income, etc.—1978

Copy A File with Form 1120S

						(a) Amount	1001	il filers enter col. (a) amoun	form.
The death in a day of the about		0	(1088)			(5522)	S	Schedule E. Part III	_
Undistributed taxable income	e income—orania	5 6			1	4	1		
Concession of the Distance of	100	transactions after	10-3		(after tax)		1	0	
Part II Losses from	Section 4	465 Activities						133	100
Shareholder's distributive	of losses from	section 465	activities (see instructions)	structio	l (su		1		
ser III. Interest on Investment	on investment	Indebtedness	s				2	Form 4952 line reference	ence
1(a) Interest on investment indebtedni	ment indebtedness	s incurred prior to		December	17, 1969		=	line 1	
(b) Interest on investment indebtedness	ment indebtedness	sincurred prior	to Septembe	-	11, 1975, but		-		
after December 16, 1969	16, 1969						1	line 15	
(c) Interest on investment indebtedne	ment indebtedness	incurred after	Septemi	nber 10,	. 1975		-	0 0	
Net investment income or (loss)	scome or (loss) .		9					line 2 or 10	
Excess expenses	Excess expenses from "net lease property"	property"						line 20	
Committee Items of Tax Prefere	f Tax Preference	4	Instructions				12	Form 4625 Ane reference	200
woll (a) .co content of the content		income rental hor	using.	:			=	1(6)(1)	
(b) Other real property							=	line 1(b)(2)	
(c) Personal property subject to a le	y subject to a lease		0				=	line 1(c)	
Amortication. (a)	(Q) ·	(c)	0	(d)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		=	1(d). (e). (f)	(8) pue
Reserves for losses on bad debts of f	on bad debts of fina	incial institution	su	*			-1		
Depletion		* * *		e e			1		
Intangible drilling costs .							1	ane 1(1)	
A Net Capital gain (after tax)		Investment Cr	Credit				1	Form 3468 line reference	ence
			2000		0		1=	line 1(a)	
investment	(h) 5 or more b	but less than 7	7 years .			0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	-		
property	7 or more					136,000	=	line 1(c)	
Cushfied	(d) 7 or more y	e years 1974, 1	1975, 1976,		and 1977		=		1
progress	(e) 7 or more y	years 1978		•		8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	=		
Cost of used	-	but less than 5	years .				-1	line 1(f)	
investment	(g) S or more b	3n 7	years .				-1	line 1(g)	1
prop.rty (h) 7 or more years	(h) 7 or more y	1				Extension contraction column	- Section	line 1(h)	185)
Part VI's Propert	y Used in Recor	-	Prior Tear		Investment Credit (c	שובו ווו כסוובאל	Supplied to	5	
8	6	6 .	3	6 9	Original audified	Date stern	-	Appli- Qualif	
(a)to state whether	Date placed in		Deleg Creful		(column 3 x	ceased to be	2 2 2	per- (column 3 centage column 10	X 60 0
(Data 20 - 20)									
				Ī					
Part-VII Jobs Credits	edits					(a) Amount	-	Line references	
New jobs credit		* * * *					1	90	_ 1
2 New jobs credit (combined new job	moined new jobs	s credit and targeted jobs	eted jobs	credit).			-	Form 5884-FY, line	ne 27
Fare VIII Ourer	morning morning management			-			3. 5	3. Stack temership	
	1. Name and address			-	Z. Social security	Number of	0	Date ecquired Date of 4	4:1201
Richard U. Bay	Bayles Rd.	# 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	* 0 * 0 * 0 * 0 * 0	4	35-56-0730	300	6	1-79	
6. Compensation time	3	Tiene. dentity	or number,	and add	and address (including 219 code)		2712900-90	3172	
-		mpo trugin	4840	100			1	1	
		Charles	CHADO	4					

SCHEDULE K-1 (Form 1120S) Department of the Ireauny Internal Reserve Serves

Shareholder's Share of Undistributed Taxable Income, etc.—1978

For calendar year 1878 or other taxable year.

[Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Part 1 . Income					(3)	(b) form 1040 smaunt as in 1041 falers and	filters enter col. (a) dicated beine. Fore- fer cet (a) amount as lone of that fore-
1 Undistributed taxable income	-ord	nary income or	(loss)		(16190)	Schedule E.	Part III
? (a) Undistributed taxable income	Ī	net long-term ca	Capital gain after	r tax		Schedule	= 5.0
	-	to transaction	10-31	100		- Chad	
Fart II . Losses	Losses from Section	465 Activities				William Charles	With Salanda
1 Shareholder's distributive share of losses from	e share of losses fro		thes (see instruct	inons)			
Fart III c Interest	on investmen	nt Indebtedness	55			Form 4952	line reference
1(a) Interest on investment indebtedness	tment indebtedne	ess incurred prior to	r to December	r 17, 1969		-	
(b) interest on investment indebte	tment indebtedne	ess incurred prior	2				
after December 16, 1969	16, 1969					line 15	
(c) Interest on investment indebteding	tment indebtedne	iss incurred after	September 1	0, 1975.		line 5	
2 Net investment income or (loss	ncome or (loss)		5			line 2 or 10	0
3 Excess expenses from "net leas	from "net lease p	property" .				Ene 11 and 10	0.7
A Net capital gain attributable to invest	attributable to in					line 20	
Part IV Items o	I Tax Preferen	(See	Instructions)			Form 4625 kne	ne reference
1 Accelerated depreciation on: (a) Low	ition on: (a) Low	income rental ho	nsing.				
(b) Other real property .	erty						
(c) Personal property subject to a	ect to a	lease					
2 Amortization: (a)	(a)	(6)	9			100	1
3 Reserves for losses on bad debts o	on bad debts of fu	nancial institutio				(6)	(E). (1) and (8)
4 Depletion							
drill	6						
6 Net capital gain (aft	er tax)		9			(interpretation	
Spart V . Property Eligible to		Investment Cr	Credit				
						_1	ine reference
investment	3 or more	but less than 5	S years	•	0 a 8 a 0 a 8 a 8 a 8 a 8 a 0 a 0 a 8	line 1(3)	
property	5 or more	but less than 7	years			line 1(b)	
Outlifeed					408,000	line 1(c)	
progress	7 or mo	1974.	1975, 1976, and	d 1977	8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	line 1(d)	
espenditures	(e) 7 or more years	years 1978				line 1(e)	
Cost of used	(f) 3 or more	but less than 5 years	rears			line 1(f)	
investment	(g) S or more	S or more but less than 7 years	rears			line 1(g)	
property	$\widehat{\varepsilon}$	years			## # # # # # # # # # # # # # # # # # #	line 1(h)	
*Part VI . Property	Used in Re	computing a Prior	Year	Investment Credit	Enter in corresp		Form 4255.)
8	8	6	(5)	(9)	(8)	(01) (6)	010
preparty	Date placed in	3 =	Esti- Acoti-	Onginal qualified	Date des	Appli-	Qualified
(also state whether	Merece	-	useful per-	Column 3 x	investment	lually per-	column 3 x
*							
Part: VII Jobs Credits	edits			-	(a) Amount	Line references	
1 New jobs credit						Form 5884	line 20
2 New jobs credit (combined new jo	iobs	credit and targeted	led jobs credit).			Form 5884-FY	
· Part - VIII Other Information	formation						
	1. Name and address		-	Z. Secret security		3. Stack semerahing	
	shereholder			rumber	Party of	Date sequented	Date of dispendien
Warren Wilson	no			58-20-6422	300	1	
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100	ter of 6. Corpor	ation's name, identifying	number, and address	and address (including 219 code)			
		o Financi	al	Services, 1.+d	0-90	271173	
_	21	arles S	ree			232115	
NONE AS F	10	CT	90				
-							47
							+

SCHEDULE K-1 Department of the Treatung Internal Revenue Service (Form 1120S)

Shareholder's Share of Undistributed Taxable Revised in Accordance with the Revenue Act of 1978 and the Energy Tax Act of 1978 Income, etc.-1978

Dec. 26 calendar year 1978 or other tatable year 30 1979 a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

Form 11205 File with Copy A

(b) farm, 1040 filers enter cal. (camount to indicated below. For 1041 filers enter cal. (c) amount, corresponding line of that form. line 1(d), (e), (f) and (g) form 4952 line reference 27 line reference (h) 7 or more years.
Used in Recomputing a Prior Year Investment Credit (Enter in corresponding column of Form 4255.) Form 4625 fine reference Schedule E. Part III Schedule D. Part II Schedule D. Part II Form 5884-FY, line Form 5884, line 20 3. Stock comership Period held line 11 and 19 line 2 or 10 Line references line 1(b)(1) line 1(b)(2) Form 3468 line 1(h) line 1(c) line 1(a) line 1(b) line 1(c) line 1(d) line 1(g) line 1(e) line 1(j) line 1(1) line 15 line 20 line 5 line 1 line tually used 136,000 (a) Amount Ceased to be investment credit property (s) Amount (4093)(b) Interest on investment indebtedness incurred prior to September 11, 1975, but Original qualified investment (column 3 x column 5) 2. Social security number 1(a) Interest on infestment indebtedness incurred prior to December 17, 1969 . (b) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax) 9) (c) Interest on investment indebtedness incurred after September 10, 1975 and 1977 . net long term capital gain after tax . 1 Shareholder's distributive share of losses from section 465 activities (see instructions) 2 New jobs credit (combined new jobs credit and targeted jobs credit).

Part VIII Other Information (5) (d) 7 or more years 1974, 1975, 1976. capital gain attributable to investment property. Undistributed taxable income—ordinary income or (loss) . 5 or more but less than 7 years. (b) 5 or more but less than 7 years. (f) 3 or more but less than 5 years. Accelerated depreciation on: (a) Low income rental housing (a) 3 or more but less than 5 years 6 Net capital gain (after tax)

Neart Vez Property Eligible for Investment Credit Reserves for losses on bad debts of financial institutions Losses from Section 465 Activities (c) 1978 3: Excess expenses from "net lease property" 6 Net investment income or (loss) . . . (e) 7 or more years (c) Personal property subject to a lease. 1. Name and address of shareholder (b) Other real property (a) Undistributed taxable income-Date placed in service (Complete after December 16, 1969 intangible drilling costs . (8) e Part - VII Jobs Credits Part VI. Property Income Description of property (also state whether new or used) New jobs credit. Amortization. (a) Part Depletion Basis of new Cost of used progress Part = Qualified property property

06-0993172 Services, Ltd.

9-29-79

300

047-16-6967 049-16-6164

Anthony & Daisy Colonnese JIWROS 56 Degwood Drive

Dogwood Drive

Easton,

Compensation

Corporation a name, identifying number, and address (including 21P code)

06880

CT

Westport,

As Reg.

None

21 Charles Street

Compo Financial

Date acquired

49

SCHEDULE K-1 Department of the Tressury Internal Revenue Service (Form 1120S)

Shareholder's Share of Undistributed Taxable Income, etc.—1978

Beginning Dec. 26 for calendar year 1978 or other taxable years

(Complete a separate Schedule X-1 for each shareholder—See instructions on back of Copy C)

Understanding tastelle income—evaluation from a China							(a) Amount		(b) form 10 amount as 1041 filers	(b) form 1040 filers enter col (c) amount as indicated below. For 1041 filers enter col (a) amount corresponding line of that form
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		anie income		apital 8	ain afte	r tax			Schedule	Part
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2. Social security Number of Share some 3. Slock some Share so	STATE VIII Other Infor	mation	credit and targ	eted job	s credit				orm 588	
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na ved. westport, CT 0		4 3	ח ש	CLE	200					
			1	0	220					

Shareholder's Share of Undistributed Taxable of 1978 and the Energy Tax Act of 1978

(Form 1120S)

beginning DEC. F2/Galendar year 1978 or other taryble year 30 1979 (Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C) Income, etc.-1978

Copy A File with Form 1120S

6 (8) pue (1) emount as indicated below. For 1041 filess exter col. (corresponding line of that form.) Form 4952 line reference Form 5884-FY, line 27 line reference property

(b) 7 or more years.

(c) 7 or more years.

(b) 7 or more years.

(c) 7 or more years.

(d) 7 or more years.

(e) 7 or more years. Qualified investment (column 3 x column 10) Schedule E. Part III Schedule D. Part II Schedule D, Part II Form 5884, line 20 line 11 and 19 (e) Form 4625 Hine Line references line 2 or 10 line 1(b)(2) line 1(b)(1) line 1(d). 1(h) Form 3468 line 1(c) line 1(c) line 1(a) line 1(b) line 1(j) line 1(d) line 1(e) line 1(1) line 1(f) line 15 line 20 line 5 line 1 (10) line 6 4 4 5 5 136,000 (a) Amount 65) (a) Amount (b) Interest on investment indebtedness incurred prior to September 11, 1975, but Original qualified investment (column 3 x column 5) Portion of line 2(a) attributable to transactions after 10-31-78 (after tax) 1(a) Interest on investment indebtedness incurred prior to December 17, 1969 9 1974, 1975, 1976, and 1977. (c) Interest on investment indebtedness incurred after September 10, 1975 Shareholder's distributive share of losses from section 465 activities (see instructions) . (a) Undistributed taxable income-net long-term capital gain after tax Parts VIII Other Information *Part IV* Items of Tax Preference (See Instructions) ordinary income or (loss) . Accelerated depreciation on: (a) Low income rental housing. (a) 3 or more but less than 5 years. (f) 3 or more but less than 5 years. 1 (b) 5 or more but less than 7 years (c) 7 or more years. gain (after tax) Property Eligible for Investment Credit Reserves for losses on bad debts of financial institutions 1978 (c) Ĭ: Excess expenses from "net lease property" ô Net investment income or (loss) . . . (d) 7 or more years (e) 7 or more years (c) Personal property subject to a lease. Date placed in service Undistributed taxable income after December 16, 1969 intangible drilling costs . Jobs Credits (b) Other real property Net capital gain (after Income Description of property (also state whether new used) New jobs credit. Amortization: (a) Part III Depletion Cost of used Part: VII penditures Basis of new Part = property Parl Jahr fred

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	1. Nat	The and address of			3. Slock ownership	
		shareholder	Number	Number of	Perior	Period held
				E i y	Date acquired	Date acquired Date of disposition
Robert P.	P. Frey					
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			300-20-2403 300	300	11-30-79	
Southp	ort, CT	06490				
	S. Percentage of	6. Cerperation's name, identifying number, and address (including 21P code)	ddress (including 21P code)			
. Compensation	lie buiness	Compo Financial Services 1+4	rvices Ttd		2712000-30	
		of Charles			7176660	
		to charles street				

06880

CT

Westport,

Req.

AS

None

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SCHEDULE K-1 (Form 1120S)

Department of the Tresury Internal Reserve Service

Shareholder's Share of Undistributed Taxable Income, etc.—1978

beginning Dec. 26 For calendar year 1878 or other tauble year (Complete a separate Schedule K-1 for each shareholder—See instructions on back of Copy C)

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Part : Income	,					(a) Ameunt	-	(b) ferm 1040 friers enter cai, amount as indicated below. For 1041 filters enter cai (a) amount corresponding line of that form
1 Undistributed taxable income.	Sepipological alice	20 000000 7000	(lose)				1	
						150	1	ال
The state of the s		net long term capital	apital ga	gain after	xei		-	Schedule D. Part II
0 10110	Total of the state of the sections	to transactions	0	10-31-78	(after tax)			Schedule D. Part II
Caccon Tongs	nom section	400 Activities	es				113	The state of the s
Shareholder's distributive share of losses from section 465 activities (see instructions)	re share of losses fro	im section 465 act	ivities (se	e instruct	ions)		11111	
Carallia Interes	t on myestmen	nt Indebtedn	ess				-	form 4952 line reference
1(a) Interest on investment indebt		dness incurred pri	prior to De	December	. 17, 1969			line 1
(b) Interest an investment indebte		idness incurred pri	prior to September 11	ptembe	r 11, 1975, but		<u> </u>	
after December 16, 1969	16, 1969						_	line 15
(c) Interest on investment indebte	tment indebtedness	ess incurred after Septembe	er Septe	mber 10,	0, 1975		1	line 5
2 Net investment income or (loss)	ncome or (loss)						1	line 2 or 10
3 Faress engenses from "net lea	from "ret lease p	property"		4			1	line 11 and 19
4 Net capital gain attributable to invest	attributable to in	investment property	erty .				1	line 20
Part IV - Items	of Tax Prefere	(See	Instructions)	ns)			1	Form 4625 line reference
1 Accelerated depreciation on: (a) Low	tion on: (a) Low	income rental h	. Burshot				1	1(6)(1)
(b) Other real property .	erty						1	
(c) Personal property subject to a	ty subject to a lease	35e		6			1	
2 Amortization. (a)	(9)	(c)		6			1	line 1(d) (e) (f) and (e)
3 Reserves for losses on bad debts of	on bad debts of fir	nancial instituti	ons.				1	1(5)
4 Depletion							1	
	stso						1	
-	I gain (after tax)	0					1	
*Part V > Property		Investment Credit	redit				1	Form 3468 line reference
		hut less than 4	S cons		-		1	1/0/1
investment							-1-	
property	7 or more					300 261	1	
Qualified	7 or m	1974	1975	1976 an	and 1977	000 000	:	1.00 1(4)
progress expenditures	7 or more	1978					1-	
							-	110 1(e)
investment	f or more		years				1	line 1(a)
property	9 1	Dut less than / years	years			0.	1	(E) 1 (E)
Part W. Property	Use	mputing a P	a Prior Year		Investment Credit ((Enter in corresponding column of	ouding	column of Form 4755)
	8	5	1 (4)		-			
Berkription of	Date stared in	3	j	- Tooli	Original qualified	Date item	-	Appli-
(a)se state shether new or used)	83:4488	.1	interior		(column 3 x	investment tredit property		column 3 x
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Sycastill John Conditor	dite							
TO SOOF IIA TIPLE	6110					(a) Ameunt	1	
I New jobs credit.							1	50
S Parts VIII Other Information	formation	credit and targ	ered job	S Credit	7			Form 5884-FY, line 27
	1. Name and address			-	١.		3. 54	J. Stack semesthis
	ereholder.				Z. Social security number	Rumber of	0	Period held Date seasoned Date of discounting
Roy J. Morto	- u			1			1	İ
7 Highwood Lane	a D G	600000000000000000000000000000000000000	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	4	411-50-0808	300	-	11-20-79
Westport, CT							1	61-00
4. Compensation time devoted	•	-		*** add/*	24			
	E 00	Finan	-1 .	Serv	Services, Ltd.	0	60-9	06-0993172
None As Red	T 7	aries	tre	et				
	_	•	0	9 9 9				

SCHEDULE K-1 (Form 1120S) Department of the Treewry

Shareholder's Share of Undistributed Taxable Income, etc.—1978

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Part Income					ń	Juneany (s)	====	(b) Form 1040 falers enter amount as indicated bein 1041 falers enter cal. (a) a corresponding fine at that	elder col. i elde. for
1 Undistributed taxable income	ie income-ordir	nary income or	(loss)	* *		(65)	1	Schedule E. Part III	=
? (a) Undistributed tanable income	mable income—	g.term c		gain after tax			00	Schedule D. Part II	=
(b) Portion of line 2(a) attributat	of line 2(a) attributable	o transactions a	è,	10-31-78	(after tax)		1	Schedule D. Part II	=
Character a decision				1					
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September 1 and 1			1 3		1:		1	300 mue	and a second
(b) Interest on investment indebte	ment indebtedness	Deur Per	prior to Sep	September	11, 1975, but		1		
after December 16, 1969	16, 1969			9			-	line 15	
(c) interest an investment indebte	ment indebtedne	ss incurred after	r Septe	mber 1	0, 1975			line 5	
	ncome or (loss)		*				-	line 2 or 10	
3 Excess expenses from "net lead	from "net lease p	·					-1	line 11 and 19	
The capital gain attributable to invest	Tax Preferen	(See	Instructions)				-1.	20	
Accelerated depreciation on: (a)	tion on: (a) Low	ne rent	DUSING		-		1	form 1(h)(1)	50us
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Special Consent to Extend the Time to Assess Tax

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The Financial Sorvices Ltd.

Westport, CT 06330

and the District Director of Internal Revenue or Regional Director of Appeals consent and agree as follows: (Number, Street, City or Town, State, 21P Code) Taxpaver(s) of

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Federal	(Kind of tax)	or the above taxpaver(s) for the period(s) ended Movember 10, 1930	issessed on or before the 90th (ninetieth) day after: (a) the Internal Revenue Service office considering the case	primination of Special Consent to Extend the Time to Assess Tax, from the taxpayer(s);	e mails Form 872. T to the taxbaver(s): or (c) the Internal Revenue Service mails a not
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of deficiency for such period(s); except that if a notice of deficiency is sent to the taxpayer(s), the time for assessing the

tax for the period(s) stated in the notice of deficiency will end 60 days after the period during which the making of an

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(2) This agreement ends on the earlier of the above expiration date or the assessment date of an increase in the assessment was prohibited. A final adverse determination subject to declaratory judgment under sections 7428, 7476, or 7477 of the Internal Revenue Code will not terminate this agreement.

payments, such as amounts treated by the Service as cash bonds and advance payments not assessed by the Service, will no terminate this agreement before the expiration date determined in (1) above. This agreement ends on the date determine above tax that reflects the final determination of tax and the final administrative appeals consideration. An assessment is one period covered by this agreement will not end this agreement for any other period it covers. Some assessments do no mathematical or clerical errors; (d) tax reported on amended returns; and (e) advance payments. In addition, unassessed refect a final determination and appeals consideration and therefore will not terminate the agreement before the expirain (1) above regardless of any assessment for any period includible in a report to the Joint Committee on Taxation sub-Examples are assessments of: (a) tax under a partial agreement; (b) tax in jeopardy; (c) tax to correct mitted under section 6405 of the Internal Revenue Code. :00 C3:e.

- This agreement will not reduce the period of time otherwise provided by law for making such assessment
- (4) The taxpayer(s) may file a cliam for credit or refund and the Service may credit or refund the tax within 6 (six) months after this agreement ends.

ANA APPEAL RIGHTS TO WHICH THEY WOULD OTHERWISE BE ENTITLED THIS CONSENT WILL NOT DEPRIVE THE TAXPAYER(S) OF MAKING

(Date signed)	(Date signed)	(Date signed)	(Date signed)	(Date signed)	REGIONAL DIRECTOR OF APPEALS	(Date signed)
YOUR SIGNATURE HERE	SPOUSE S SIGNATURE	SIGN HERE	CORPORATE CORPORATE CORPORATE CORPORATE CORPORATE SIGN HERE	(Title)	DISTRICT DIRECTOR OF INTERNAL REVENUE	(Signature and Tritle)

Instructions

The signatures must match the names as they appear on the front of this If this consent is for income tax, self-employment tax, or FICA tax on tips and is made for any year(s) for which a joint return was filed, both husband and wife must sign the original and copy of this form unless one, acting under a power of attorney, signs as agent for the other.

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If this consent is for Chapter 41, 42, or 43 taxes involving a partnership or is for a partnership return, only one authorized partner need sign If you are an attorney or agent of the taxpayer(s), you may sign this consent provided the action is specifically authorized by a power of attorney was not previously filed, please include it with this form.

If you are acting as a fiduciary (such as executor, administrator, trustee, etc.) and you sign this consent, attach Form 56, Notice Concerning Fiduciary Relationship, unless it was previously filed. If the taxpayer is a corporation, sign this consent with the corporate name followed by the signature and title of the officer(s) authorized to sign

If this consent is for Chapter 42 taxes, a separate Form 872. A should be completed for each potential disqualified rerson or entity that may have been involved in a taxable transaction during the related tax year. See Revenue Ruling 75-391, 1975-2 C.B. 446.

September 1980) 872.A

Special Consent to Extend the Time to Assess Tax

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and the District Director of Internal Revenue or Regional Director of Appeals consent and agree as follows

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or (b) the Internal Revenue Service mails Form 872.T to the taxpayer(s); or (c) the Internal Revenue Service mails a notice for the above taxpayer(s) for the period(s) ended <u>December 31, 1979</u> may, be assessed on or before the 90th (ninetieth) day after: (a) the Internal Revenue Service office considering the case of deficiency for such period(s); except that if a notice of deficiency is sent to the taxpayer(s), the time for assessing the receives Form 872.T, Notice of Termination of Special Consent to Extend the Time to Assess Tax, from the taxpayer is tax for the period(s) stated in the notice of deficiency will end 60 days after the period during which the making of assessment was prohibited. A final adverse determination subject to declaratory judgment under sections 7428, or 7477 of the Internal Revenue Code will not terminate this agreement.

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- (3) This agreement will not reduce the period of time otherwise provided by law for making such assessment
- (4) The taxpayer(s) may file a cliam for credit or refund and the Service may credit or refund the tax within 6 (six) months after this agreement ends.
- (5) The amount of any deficiency assessment is to be limited to that resulting from any adjustment to: (a) the taxpayer's distributive share of any item of income, gain, tne tax basis of tne taxpayer's interest(s) in such partnership(s) or organization(s) treated by the taxpayer as a partnership; and (c) any gain or loss (or the character or timing thereof) realized upon the sale or exchange, abandonment, or other disposition of taxpayer's interest in such partnership(s) or organization(s) treated by the taxpayer as a partnership; including any consequential changes to other items based on such adjustment.

 RECAUSE ON PARISON OF THE PARISO loss, deduction, or credit of, or distribution from any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's tax return);

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3/1/8 3 (Date signed)	3/7/8 3 (Date signed)	(Date signed)		(Date signed) (Date signed)	REGIONAL DIRECTOR OF APPEALS
Sheeden Bhelferd	Reyelle Bry 1/22d	VE		(Title)	
OUR SIGNATURE HERE	POUSE S SIGNATURE	AXPAYER'S REPRESENTATIVE	CORPORATE AAME	CORPORATE DEFICER(S) SIGN HERE	James E Quinn DISTRICT DIRECTOR OF INTERNAL REVENUE COLL CROUP MANAGER (Signature and Title)

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Instructions

power of attorney, signs as agent for the other. The signatures must match the names as they appear on the front of this If this consent is for income tax, self-employment tax, or FICA tax on tips and is made for any year(s) for which a joint return was filed, both husband and wife must sign the original and copy of this form unless one, acting under a

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If this consent is for Chapter 41, 42, or 43 taxes involving a partnership or is for a partnership return, only one authorized partner need sign.

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If you are acting as a fiduciary (such as executor, administrator, trustee, etc.) and you sign this consent, attach Form 56, Notice Concerning Fiduciary Relationship, unless it was previously filed. If the taxpayer is a corporation, sign this consent with the corporate name followed by the signature and title of the officer(s) authorized to sign.

50 If this consent is for Chapter 42 taxes, a separate Form 872-A should be completed for each potential disqualified rerson or entity that may have been involved in a taxable transaction during the related tax year. See Revenue Ruling 75-391, 1975-2 C.B. 446.

T.C. Memo. 1991-170 UNITED STATES TAX COURT

SHELDON B. BUFFERD AND PHYLLIS BUFFERD,
Petitioners v.
COMMISSIONER OF INTERNAL REVENUE,
Respondent

Docket No. 3970-88.

Filed April 15, 1991.

We are bound to follow our Court-reviewed opinion in Fehlhaber v. Commissioner, 94 T.C. 863 (1990). Held: The notice of deficiency mailed to petitioners on December 4, 1987, was timely under section 6501(a) and, therefore, the assessment is not barred by the statute of limitations.

MEMORANDUM FINDINGS OF FACT AND OPINION

WHITAKER, Judge: Respondent determined deficiencies and additions to tax in petitioners' Federal income tax as follows:

		Addition to
		Tax Section
Year	Deficiency	6653(a)1
1975	\$ 3,069	\$153.45
1976	3,704	185.20
1977	6,291	314.55
1978	13,859	692.95
1979	12,555	627.75

¹ Unless otherwise noted, all section references are to the Internal Revenue Code of 1954 as amended and in effect for the years in issue, and all Rule references are to the Tax Court Rules of Practice and Procedure.

After concessions, the sole issue for decision is whether the statute of limitations relating to the assessment of an income tax deficiency determined against the shareholder of a subchapter S corporation is to be measured at the corporate level or at the shareholder level. We are bound to follow our Court-reviewed opinion in Fehlhaber v. Commissioner, 94 T.C. 863 (1990). Therefore, we hold that the notice of deficiency mailed to petitioners on December 4, 1987, was timely under section 6501(a) and the assessment is not barred by the statute of limitations.

FINDINGS OF FACT

This case was submitted for decision under Rule 122. The stipulations and attached exhibits are incorporated herein by this reference.

Petitioner, Sheldon B. Bufferd, resided in Fairfield, Connecticut, at the time the petition was filed. Petitioner, Phyllis Bufferd, resided in Westport, Connecticut, at the time the petition was filed.

The concessions in this case are as follows: (1) For the 1978 taxable year, petitioner is entitled to an ordinary deduction in the amount of \$20,000 which is equal to his cash investment in Printer Associates; (2) petitioner is not entitled to any other losses or credits attributable to Printer Associates for any year; (3) Mrs. Bufferd is not liable for any deficiencies for the taxable years 1975 through 1979 pursuant to section 6013(e); (4) Mrs. Bufferd is not liable for additions to tax for the taxable years 1975 through 1979 under sections 6653(a) and 6659 pursuant to section 6013(e); (5) Mrs. Bufferd is not liable for the

increased rate of interest under section 6621(c) for the taxable years 1975 through 1979 pursuant to section 6013(e); (6) Mr. Bufferd is not liable for additions to tax for the taxable years 1975 through 1979 under sections 6653(a) and 6659, and (7) Mr. Bufferd is liable for the increased rate of interest under section 6621(c) for the taxable years 1975 through 1979.

The facts that are relevant to the statute of limitation issue remaining is this case are as follows. In 1979 Mr. Bufferd (hereinafter petitioner) was a shareholder in Compo Financial Services, Ltd. (Compo). In 1979 Compo was an electing small business corporation within the meaning of section 1371(a). Compo timely filed a U.S. Small Business Corporation Income Tax Return (Form 1120S) for the taxable period December 26, 1978, through November 30, 1979, on February 1, 1980. Compo did not extend the statute of limitations for assessment of taxes as provided under section 6501(c)(4) with respect to its taxable period ended November 30, 1979. On December 21, 1983, petitioner, in his capacity as secretary/treasurer of Compo executed a Special Consent to Extend the Time to Assess Tax (Form 872-A) with respect to the taxable period ended November 30, 1980. On December 15, 1987, respondent executed a Notice of Termination of Special Consent to Extend the Time to Assess Tax (Form 872-T) with respect to Form 872-A dated July 22, 1985, executed by the parties with respect to Compo's taxable period ended November 30, 1982.

On April 15, 1980, petitioners filed their Federal income tax return for the 1979 taxable year. Petitioners reported their income and deductions for the 1979 taxable year on the basis of cash receipts and disbursements. On

petitioners' 1979 tax return, they claimed an ordinary loss in the total amount of \$11,550 (\$11,050 with respect to Printer Associates and \$500 with respect to Compo). On petitioners' 1979 tax return, they also claimed an investment credit with respect to Compo in the amount of \$8,023.

On March 7, 1983, petitioners timely executed a Form 872-A for their 1979 taxable year. Respondent executed Form 872-A on March 15, 1983. Neither petitioners nor respondent filed a Form 872-T with respect to petitioners' 1979 taxable year.

the statutory notice of deficiency dated December 4, 1987, respondent disallowed petitioners' claimed 1979 loss and investment credit attributable to Compo for its taxable period December 26, 1978, through November 30, 1979. Respondent further determined that petitioner's distributive share of Compo income in 1979 was \$1,418, resulting in a total adjustment with respect to Compo in the amount of \$1,918. The statutory notice was timely sent to petitioners prior to the expiration of the 3-year period for assessment with respect to petitioners' 1979 tax return, as duly and timely extended under Form 872-A. The statutory notice was issued to petitioners more than 3 years after the filing of Compo's Form 1120S for the taxable period ended November 30, 1979, for which an extension of the assessment period was not executed by the corporation.

OPINION

This issue was previously considered by this Court in Kelley v. Commissioner, T.C. Memo. 1986-405. In Kelley, this

Court held that the statute of limitations on assessment of a deficiency resulting from the disallowance of a loss flow-through from a subchapter S corporation is measured with reference to the individual shareholder's income tax return, rather than the corporation's information return. This Court's decision in Kelly was subsequently reversed in Kelly v. Commissioner, 877 F.2d 756 (9th Cir. 1989). In Fehlhaber v. Commissioner, 94 T.C. 863 (1990), we reconsidered our opinion in Kelley, in view of the reversal by the United States Court of Appeals for the Ninth Circuit. In Fehlhaber, we concluded that our holding in Kelley was correct and, therefore, we would adhere to our conclusion reached in Kelley. In Fehlhaber, we respectfully declined to follow the decision of the Court of Appeals for the Ninth Circuit on this issue where the appeal lies to another circuit. See Golsen v. Commissioner, 54 T.C. 742, 756-757 (1970), affd. 445 F.2d 985 (10th Cir. 1971). The appeal in this case lies in the Second Circuit. Therefore, we are bound to follow our Court-reviewed opinion in Fehlhaber. Accordingly, we hold that the notice of deficiency mailed to petitioners on December 4, 1987, was timely under section 6501(a) and, therefore, the assessment is not barred by the statute of limitations.

Decision will be entered under Rule 155.

UNITED STATES TAX COURT

SHELDON B. BUFFERD and) PHYLLIS BUFFERD,)	
Petitioners,)	Docket No. 3970-88
v.)	
COMMISSIONER OF) INTERNAL REVENUE,	
Respondent.	

DECISION

Pursuant to the opinion of the Court filed on April 15, 1991, and incorporating herein the facts recited in the respondent's computation as the findings of the Court, it is

ORDERED and DECIDED: That there are deficiencies in income tax due from the petitioners, before application of I.R.C. § 6013(e), as follows:

Deficiencies

	Additions		
Year	Income Tax	I.R.C. § 6653(a)	I.R.C. § 6659
1975	\$ 3,069.00	- 0 -	- 0 -
1976	3,704.00	- 0 -	- 0 -
1977	6,291.00	- 0 -	- 0 -
1978	4,251.00	- 0 -	- 0 -
1979	12,555.00	- 0 -	- 0 -

That, before application of I.R.C. § 6013(e), the entire deficiency in income tax due from the petitioners for each of the taxable years 1975, 1976, 1977, 1978 and 1979 is a substantial underpayment attributable to tax motivated

transactions for purposes of computing the interest payable pursuant to I.R.C. § 6621(c).

That the foregoing deficiencies are due from the petitioners under the provisions of I.R.C. § 6013(e) as follows:

Joint Liability

		Additions		
Year	Income Tax	I.R.C. § 6653(a)	I.R.C. § 6659	
1975	- 0 -	- 0 -	- 0 -	
1976	- 0 -	- 0 -	- 0 -	
1977	- 0 -	- 0 -	- 0 -	
1978	- 0 -	- 0 -	- 0 -	
1979	- 0 -	- 0 -	- 0 -	

Additional Amounts Due From Sheldon B. Bufferd

		Additions		
Year	Income Tax	I.R.C. § 6653(a)	I.R.C. § 6659	
1975	\$ 3,069.00	- 0 -	- 0 -	
1976	3,704.00	- 0 -	- 0 -	
1977	6,291.00	- 0 -	- 0 -	
1978	4,251.00	- 0 -	- 0 -	
1979	12,555.00	- 0 -	- 0 -	

That the entire deficiency in income tax due from the petitioner, Sheldon B. Bufferd, for each of the taxable years 1975, 1976, 1977, 1978 and 1979 is a substantial underpayment attributable to tax motivated transactions

for purposes of computing the interest payable pursuant to I.R.C. § 6621(c).

(Signed) Meade Whitaker

Judge

Entered: MAY 14 1991

The parties stipulate that the foregoing decision is in accordance with the opinion of the Court and the respondent's computation, and that the Court may enter this decision, without prejudice to the right of either party to contest the correctness of the decision entered herein.

ABRAHAM N. M. SHASHY, JR. Chief Counsel Internal Revenue Service

By: (Signed) Bradford A. Johnson
BRADFORD A. JOHNSON
Assistant District Counsel
Tax Court No. JB0034
Commerce Center One
333 East River Drive
Suite 200
East Hartford, CT 06108
Tel. No. (203) 528-1563
(FTS) 244-3000

/s/ Stuart J. Filler
STUART J. FILLER, ESQUIRE
Counsel for Petitioner,
Sheldon B. Bufferd
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University of Bridgeport
School of Law
600 University Avenue
Room 409
Bridgeport, CT 06601
Tel. No. (203) 576-4073

/s/ Mary Ferrari
MARY FERRARI, Esquire
Counsel for Petitioner,
Phyllis Bufferd
Federal Tax Clinic
University of Bridgeport
School of Law
600 University Avenue
Room 409
Bridgeport, CT 06601
Tel. No. (203) 576-4073

Date: 5-8-91

Date: MAY 10 1991

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 214 – August Term, 1991 (Argued September 25, 1991 Decided January 3, 1992) Docket No. 91-4099

SHELDON B. BUFFERD; PHYLLIS BUFFERD,

Petitioners-Appellants,

- V. -

Commissioner of Internal Revenue,

Respondent-Appellee.

Before:

MESKILL, WINTER and ALTIMARI,

Circuit Judges.

Appeal from a decision by the United States Tax Court determining that the Commissioner of Internal Revenue timely assessed a deficiency on petitioner's individual income tax payment arising from his distributive share in the income of an S corporation.

Affirmed.

MESKILL, Circuit Judge:

Sheldon Bufferd appeals from a decision of the United States Tax Court imposing a tax deficiency on him for the year 1979. The sole issue on appeal is whether the Commissioner of Internal Revenue (Commissioner) timely assessed the deficiency. The tax court held that the Commissioner was not barred by the limitation provision of the Internal Revenue Code.

We affirm.

BACKGROUND

In 1979 Sheldon B. Bufferd was a shareholder in Compo Financial Services, Inc., an electing small business corporation under Subchapter S of the Internal Revenue Code. 26 U.S.C. § 1371 et seq. (1954 Act) (unless otherwise noted, all references are to the Internal Revenue Code of 1954 as amended and effective during the years in issue). Bufferd and Compo were two of several partners in a venture known as Printer's Associates (Printer's). Printer's reported substantial losses in 1979 arising from a failed investment in a new technology. Compo reported a loss from the Printer's partnership on its 1979 small business corporation income tax return. Bufferd and his wife filed a joint income tax return in 1979 In that return they reported a loss from the Printer's partnership. The Bufferds also reported their distributive share of Compo's loss on their 1979 return.

In March 1983 the Bufferds and a representative of the Commissioner executed a form entitled "Special Consent to Extend the Time to Assess Tax" (Form 872-A). The document provided that, regardless of the statute of limitations, the Commissioner could assess income tax due on the Bufferds' 1979 return at any time prior to ninety days after revocation of the consent by the Bufferds. The document contained a proviso limiting any such deficiency assessment to that resulting from adjustments to the Bufferds' distributive share from, basis in or sale of any interest in "any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's return)." The Bufferds never revoked the consent to the extension of time. Compo never assented to an extension of time to assess the tax due for 1979.

The Commissioner subsequently determined that the losses reported by Printer's were improper. The Commissioner thus made adjustments to the Bufferds' 1979 return by disallowing the partnership loss. The Commissioner also adjusted Compo's return to reflect the disallowance of Printer's losses. Bufferd's distributive share from Compo was thus altered from a \$500 loss to a \$1,418 gain. Bufferd's wife settled separately with the Commissioner following her divorce from petitioner. Bufferd ultimately agreed to the deficiency assessed by the Commissioner to the extent of the disallowance of the direct partnership loss. Bufferd argued, however, that the Commissioner could not assess a deficiency with regard to the Compo adjustment because the statute of limitations had run with respect to Compo's tax liability.

The tax court determined that the Form 872-A executed by petitioner defeated Bufferd's statute of limitations defense. Thus the tax court ordered Bufferd to pay the full amount of the deficiency. Bufferd appeals that decision.

DISCUSSION

Bufferd contends that the Commissioner could not properly have made any adjustments to his return that result from adjustments to Compo's return because the limitations period with respect to Compo had expired and no extension of that period had been executed. The commissioner urges that we affirm the tax court, which held that the relevant limitations period for purposes of assessing the tax due on the Bufferds' 1979 joint return was the period directly associated with that return. We agree with the Commissioner and the tax court on this point.

26 U.S.C.§ 6501(a) provides the limitations period for the assessment of taxes. That section provides in pertinent part that "the amount of any tax imposed by this title shall be assessed within 3 years after the return was filed." An exception to this limitations period is provided where the Secretary and the taxpayer consent in writing to an extension of time. 26 U.S.C. § 6501(c)(4).

At the heart of this dispute is the meaning of the word "return" in section 6501(a). The Commissioner claims that that term refers to the return of the taxpayer against whom the Commissioner has imposed the deficiency. Bufferd claims that, in the context of a gain or loss resulting from an adjustment to the return of an S corporation, the return of the S corporation is the relevant return.

We recently addressed the meaning of "return" in section 6501(a). In Siben v. C.I.R., 930 F.2d 1034 (2d Cir. 1991), cert. denied, 112 S.Ct. 429 (1991), the Commissioner

had made an adjustment to an individual partner's return based on alterations to the partnership return. The taxpayer argued that because the statute of limitations had run with respect to the partnership, the Commissioner was barred from adjusting the individual partner's distributive share of the partnership's income. We stated that

It appears to us that the "return" that starts the running of the limitations period at issue is that of the taxpayer whose liability is being assessed, and not that of a third person or entity whose return might also report the transaction that gives rise to the liability. On this reading, the return referred to in § 6501(a) would thus be the individual's income tax return for an assessment of individual income tax.

Id. at 1035.

Bufferd argues that because the "third person or entity" at issue here is an S corporation rather than a partnership, Siben is inapplicable. Bufferd points to 26 U.S.C. § 6037, which states in pertinent part that a return filed by an S corporation "shall, for purposes of chapter 66, (relating to limitations) [and containing section 6501(a)], be treated as a return filed by the corporation under section 6012." The statute that requires partnerships to file returns, 26 U.S.C. § 6031, has no similar provision relating to the effect of those returns on the limitations period.

Bufferd urges that in interpreting the effect of section 6037 on section 6501(a) we adopt the reasoning of *Kelley v. C.I.R.*, 877 F.2d 756 (9th Cir. 1989). In *Kelley* the Ninth Circuit held that those sections bar the Commissioner

from adjusting a shareholder's return based on an adjustment to an S corporation's return when the limitations period has run on the S corporation's return. *Id.* at 759. The court noted that section 6501 barred any adjustments to corporate returns after the limitations period. Section 6037 mandates that S corporation returns be treated as corporate returns for purposes of limitations. Therefore, reasoned the *Kelley* Court, returns of S corporations could not be adjusted in any way after the limitations period had run.

We disagree with Kelley's interpretation of section 6501(a). That section bars only the assessment of a tax on an entity more than three years after the entity has filed a return. Section 6501(a) does not bar adjustments to an entity's return that do not result in a tax assessment on that entity. An adjustment to the return of an S corporation that does not impose tax liability on that S corporation is not barred by sections 6501(a) and 6037.

Bufferd argues that if we do not interpret section 6037 as he proposes we will effectively eliminate that section from the statute. We disagree. Section 6037 provides the limitations period for organizations that file returns as S corporations but are nonetheless required to pay some tax on the organization's income. For example, if an organization was not entitled to elect to become an S corporation, any tax on the organization's income as a normal corporation must be assessed within three years of the filing of the S corporation return. Fehlhaber v. C.I.R., 94 T.C. 863 (1990) (quoting S. Rep. No. 1983, 85th Cong. 2nd Sess. (1958), 1958-3 C.B. 922, 1147). In this respect the final phrase in section 6037 performs for S corporations a function similar to that performed by section 6501(g) for

trusts, exempt organizations and Domestic International Sales Corporations.

Moreover, valid S corporations on occasion are required to pay tax on certain types of income. See 26 U.S.C. § 1374 (imposing tax on certain capital gains by S corporations). Section 6037 provides that in such cases the filing of an S corporation return triggers the limitations period for imposition of this direct tax against the S corporation. Section 6037 therefore retains ample meaning even bereft of the interpretation proposed by Bufferd.

Bufferd also argues that if the limitations period of the S corporation does not govern the assessment of tax on a shareholder's distributive share derived from that S corporation, the taxpayer will be unable to defend itself effectively against any deficiency imposed by the Commissioner. Bufferd argues that the S corporation could destroy the books and records necessary for such a defense after its limitations period had passed. In Siben we held that "a taxpayer can generally protect himself by taking steps to ensure that the partnership preserves records needed to support the partnership item claimed on the individual partner's return." 930 F.2d at 1037. We believe that a shareholder of an S corporation can take similar protective steps with regard to the S corporation records needed to support the S corporation items claimed on the shareholder's return.

We find the words of section 6501(a) clear and unambiguous. Barring an exception, if the Commissioner wishes to assess a tax on an entity, he must do so within three years after the filing by that entity of the return on which the tax should have been reported. We do not

believe that Section 6037 can fairly be read in the manner proposed by Bufferd.

The relevant return for purposes of section 6501(a) is Bufferd's joint return rather than Compo's S corporation return. The Form 872-A executed in March 1983 by the Bufferds gave the Commissioner the power to assess income tax due on the Bufferds' 1979 return any time prior to ninety days after Bufferd terminated the consent. The printed form also contains a typewritten proviso that limits any deficiency assessment to that resulting from adjustment to the Bufferds' distributive share from, basis in, or sale of any interest in "any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's return)."1

Compo Financial Services, Incorporated, was not a partnership and Bufferd did not treat it as a partnership

(emphasis added).

¹ The entire proviso states:

⁽⁵⁾ The amount of any deficiency assessment is to be limited to that resulting from any adjustment to: (a) the taxpayer's distributive share of any item of income, gain, loss, deduction, or credit of, or distribution from any partnership (or any organization treated by the taxpayer as a partnership on the taxpayer's tax return); (b) the tax basis of the taxpayer's interest(s) in such partnership(s) or organization(s) treated by the taxpayer as a partnership; and (c) any gain or loss (or the character or timing thereof) realized upon the sale or exchange, abandonment, or other disposition of taxpayer's interest in such partnership(s) or organization(s) treated by the taxpayer as a partnership; including any consequential changes to other items based on such adjustment.

on his 1979 joint return. The extension granted the Commissioner by Bufferd does not by its terms reach the assessment of taxes resulting from an adjustment to Buffer's distributive share from Compo.

However, Bufferd did not raise this theory before the tax court. In fact, Bufferd arguably waived this argument through the stipulations filed before the tax court. Because of these considerations, and because Bufferd did not press this argument on appeal, even after a request for additional briefing on the issue by this Court, we do not reach that issue. We consider the extension applicable to the income at issue here.

CONCLUSION

We agree with the tax court that the relevant return for purposes of determining the statute of limitations is the return of the taxpayer against whom the tax is sought. We therefore affirm the judgment of the tax court.

Supreme Court of the United States

No. 91-7804

Sheldon B. Bufferd,

Petitioner

V.

Commissioner of Internal Revenue

ON PETITION FOR WRIT OF CERTIORARI to the United States Court of Appeals for the Second Circuit.

On Consideration of the motion for leave to proceed herein in forma pauperis and of the petition for writ of certiorari, it is ordered by this Court that the motion to proceed in forma pauperis be, and the same is hereby, granted; and that the petition for writ of certiorari be, and the same is hereby, granted.

June 22, 1992